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ABSTRACT

This paper is a compilation of the major federal, legislative, administrative and statistical uses of the terms poverty, low income, and related expressions. The first section summarizes the most commonly used definitions of poverty. These are: (1) the official statistical poverty definition, (2) program eligibility guidelines of the Community Services Administration, (3) public assistance or independent eligibility in other welfare program guidelines, and (4) general types of poverty guidelines such as (a) a single dollar amount for all families, (b) higher percentages of the official Federal or Community Services Administration poverty lines, (c) percentage of median income, and (d) unspecified eligibility critera. It is noted that some programs use more than one type of definition of poverty. The remainder of the paper is organized by department or agency and describes, for each, the major poverty-related programs and their administrative guidelines and legislative usages. This paper does not list all programs which significantly benefit the poor, but only those that make use of poverty terminology. (Author/AM)

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THE MEASURE OF POVERTY

Technical Paper II

Administrative and Legislative Uses of the Terms "Poverty," "Low-Income," and other Related Items

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

September 1,1976

Virginia Trotter
Assistant Secretary for Education
Department of Health, Education,
and Welfare

William A. Morrill
Assistant Secretary for Planning
and Evaluation
Department of Health, Education,
and Welfare

I am pleased to issue Technical Paper II, "Administrative and Legislative Usages of the Terms 'Poverty', 'Low Income', and Other Related Items". It contains supporting data for the report entitled The Measure of Poverty which was prepared in compliance with section 823 of the Education Amendments of 1974. This paper is a compilation by the Poverty Studies Task Force of the major Federal, legislative, administrative and statistical uses of Poverty terminology.

Bette Mahoney

Bette Mahoney, Chairman
Poverty Studies Task Force

Contents

Page

Preface vi

Overview 1

Most Commonly Used Poverty Definitions 4

Administrative and Legislative Uses, by Department or Agency

Department of Commerce; Bureau of the Census.. 7

Community Services Administration 15

Department of Health, Education, and Welfare 22

- Social and Rehabilitation Services 22
- Social Security Administration 29
- Office of Human Development 31
- Education Division 33
- Public Health Service 51

Department of Housing and Urban Development 66

Department of Labor 72

Department of Agriculture 105

Department of Treasury 119

Department of State 121

Department of Interior 122

Small Business Administration 123

ACTION 125

Veterans Administration 127

Footnotes to Technical Paper II 129

PREFACE

Section 823 of the Education Amendments of 1974 (PL 93-380) requires a thorough study of the manner in which the relative measure of poverty for use in the financial assistance program, authorized by Title I of the Elementary and Secondary Education Act of 1965, may be more accurately and currently developed.

That financial assistance program is administered by the Commissioner of Education, through the Office of Education, Department of Health, Education, and Welfare. An important feature is the use of a formula prescribed by Section 103 of the Elementary and Secondary Education Act for the annual distribution of Federal funds to school districts. A significant factor in the formula is the numnber of school-age children 5 to 17 in poor families within each school district. The measure of poverty which is used, and which is the subject of the study mandated by Section 823, is the Federal government's official statistical definition of poverty (also known as the Orshansky, OMB, Census Bureau, or Social Security poverty lines).

Other work related to poverty measurement has been called for in recent legislative acts. In the Comprehensive Employment and Training Act, the Secretary of Labor is directed to develop and maintain comprehensive household budget data at different levels of living, including a "level of adequacy." Any such review of the level of adequacy must necessarily be closely related to measures of poverty. The Housing and Community Development Act of 1974 gives the Secretary of HUD authority to adjust the poverty measure to reflect local variations in the cost of living. The Conference Report accompanying it directs the Secretary to develop or obtain data with respect to the "extent of poverty" by metropolitan areas and to submit such data to the Congress as part of a March 31, 1977, report.

Because of the broad scope of the subject matter, coverage of the study of the measure of poverty mandated by Section 823 of the Education Amendments of 1974 was extended to include implications of the study findings for the poverty-related programs of all affected Federal departments and agencies. The Title I program of the Elementary and Secondary Education Act was given the most detailed treatment, to meet the legislatively-mandated specifications for the study as well as to serve as a primary example of application of the concepts of poverty measurement to Federal programs. The findings of the study are published in a report entitled, "The Measure of Poverty." An important objective of the study was full discussion and documentation of the major elements of currently applied and potentially usable poverty measures. Material containing essential supporting documentation for the study was assembled as technical papers. These have been written to stand alone as complete technical treatments of specific subjects.

The study was performed under the direct guidance of a Poverty Studies Task Force of the Subcommittee on the Education of the Disadvantaged and Minorities, Federal Inter-Agency Committee on Education. Technical papers were prepared at the request of, under the direction of, and subject to review by the Task Force members. Some papers are primarily the work of one or two persons; these are attributed to their authors. Others result from the collective input of Task Force members or advisors and no specific attribution is given except to the Task Force, as a whole.

The following listings show members of the Poverty Studies Task Force by appropriate Federal departments and agencies, and the titles and authors of the technical papers.

This report contains Technical Paper II, Administrative and Legislative Usages of the Terms "Poverty," "Low Income," and Other Related Terms. It was prepared under the general supervision of George Grob, Staff Director, Poverty Studies Task Force. Ellen Kraus, Contractor, Bernice Cravin, Research Assistant, Killalea Associates, Contractor, and members of the Poverty Studies Task Force assisted in the preparation.

To obtain copies of the report, "The Measure of Poverty," or any of the technical papers, please write to:

Office of the Assistant Secretary for Planning and Evaluation
Department of Health, Education, and Welfare
200 Independence Avenue, S.W.
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Washington, D. C. 20201

Federal Interagency Committee on Education
Subcommittee on Education for the Disadvantaged and Minorities

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TECHNICAL PAPERS

I.	Documentation of Background Information and Rationale for Current Poverty Matrix	Mollie Orshansky Social Security Administration
II.	Administrative and Legislative Usages of the Terms "Poverty," "Low Income," and Other Related Terms	Poverty Studies Task Force with assistance from Ellen Kraus
III.	A Review of the Definition and Measurement of Poverty	Urban Systems Research and Engineering, Inc.
IV.	Bureau of Labor Statistics Family Budgets Program	Mark Sherwood Bureau of Labor Statistics
V.	The Consumer Price Index	Jill King Mathematica, Inc.
VI.	Wealth and the Accounting Period in the Measurement of Means	Nelson McClung and Eugene Steuerle Department of the Treasury
VII.	In-kind Income and the Measurement of Poverty	Janice Peskin Health, Education, and Welfare
VIII.	The 1972-73 Consumer Expenditure Survey	Jill King Mathematica, Inc.
IX.	Inventory of Federal Data Bases Related to the Measurement of Poverty (a) Non-Census Data Bases (b) Census Data Bases	Connie Citro, Mathematica, Inc. Bureau of the Census
X.	Effect of Using a Poverty Definition Based on Household Income	Jack McNeil, Doug Sater, Arno Winard Bureau of the Census
XI.	Update of the Orshansky Index	Mollie Orshansky Social Security Administration
XII.	Food Plans for Poverty Measurement	Betty Peterkin Department of Agriculture
XIII.	Geographic Differences and Relative Poverty	Jack McNeil Bureau of the Census
XIV.	Relative Measure of Poverty	Stanley Stephenson Health, Education, and Welfare
XV.	Analytic Support for Cost-of-Living Differentials in the Poverty Thresholds	Thomas Carlin Department of Agriculture
XVI.	Implications of Alternative Measures of Poverty on Title I of the Elementary and Secondary Education Act	Abdul Khan and Herman Miller Health, Education, and Welfare
XVII.	The Sensitivity of the Incidence of Poverty to Different Measures of Income: School-age Children and Families	Survey Research Center University of Michigan
XVIII.	Characteristics of Low-Income Populations Under Alternative Poverty Definitions	Lawrence Brown Health, Education, and Welfare

OVERVIEW

This paper describes the various administrative and legislative uses of the terms poverty, low income, and related expressions. Different agencies within the Federal Government were asked to submit material regarding four different categories of poverty terminology. The first category was administrative guidelines. Those agencies or components within agencies which had issued administrative guidance on the uses of the terms "poverty," "low income," etc., were asked to describe the guidelines, paraphrasing and quoting where appropriate. Copies of the relevant administrative guidelines or passages were requested.

The second category requested was general legislative uses. When general legislative definitions of poverty terms were used extensively to define or describe the overall purposes or activities of an agency, or any portion thereof, that agency was asked to identify the appropriate legislation and to provide a paraphrase, quotation, or copy of it.

The third category requested was programs for low-income persons. Respondents were asked to identify programs which are directed toward low-income persons, which distribute funds to low-income populations, or which use poverty as a criterion of eligibility for benefits. It was realized that "program" can be used in a number of ways, e.g.: as a title, section, or complete law; an appropriation; the activity of one or several components of an agency; a "program" in the Catalogue of Federal Domestic Assistance Programs; or any other definition of a "program" used by an agency. Respondents were asked to provide program identification (name, law, section, title, appropriation, Federal Domestic Assistance Catalogue name and number, name of organizational component, or other explicit identification); program description (a few sentences of program description); definition of terms (paraphrase, quote, or copy of passages using low-income terminology, identifying, if appropriate and if possible, whether the passages quoted and poverty terminology are used in defining the purpose of the program, eligibility for participation, or as a formula for distribution of funds).

The final category of information requested was programs targeted to needy populations. These are programs directed toward needy populations which, although not identified explicitly as being poor, contain a disproportionately high number of low-income persons.

The information submitted as a result of these requests was immensely varied in format and content, reflecting agency differences in the quantities and qualities of available information, as well as inconsistencies in the definition of poverty used for Federal programs and in the treatment of poverty and low-income terminology in various laws and administrative documents. The variety in format and content of information stems from a number of factors. First, the controlling mechanism for definition of low-income target groups differs from agency to agency and program to program. In some cases, a law, such as the Education Amendments of 1974 to the Elementary and Secondary Education Act of 1965, specifies a definition of poverty and provides a detailed formula for distributing funds based on that definition; In other cases, such as the Child Nutrition programs, the legislation requires the Secretary of a Department or Director of an agency to set guidelines specifying dollar levels for eligibility purposes. In still other cases, the intent to help "needy" or "low-income" persons is noted in authorizing legislation without further elaboration.

Another major cause of variety in usage stems from a distinction between poverty "lines" or "thresholds" used for statistical purposes and those used for administrative, legislative, or programmatic purposes. Interest by the public, by Congress, and by the Federal Executive branch in knowing the number, characteristics, and location of the poor has led to the adoption of a single official statistical definition of poverty by the Federal government. This definition has generalized features, is based on cash income, and is suitable for analysis of data which are routinely collected by the Census Bureau. Administrative, programmatic, or legislative definitions, although frequently related to the statistical definition, are not general in nature, having features designed to reach a specific subpopulation of the poor or low-income groups. For example, Food Stamp eligibility guidelines seek to ensure nutritional adequacy and thus employ standards not used by a purely statistical definition. The statistical and administrative usages of poverty terminology are not unrelated, however, because the extensive analysis done on Census data with the statistical definition of poverty providing a convenient framework for the other usages. Consequently, this paper covers statistical uses of poverty terminology along with administrative, programmatic, and legislative usages.

The paper has been written so that it may be useful to program analysts needing information about poverty guidelines in use throughout the Federal government. The reader should be cautioned to examine specific poverty definitions in the context of their intended use. There is a natural temptation to look for or desire uniformity in the various definitions of poverty. Most major poverty-related programs, however, have adapted statistical or other definitions of poverty in order to target more accurately on the populations deemed to be in need of the specific program benefits. Furthermore, the effects of using a statistical definition of poverty for program eligibility purposes, or of using eligibility guidelines in a formula designed to distribute a fixed amount of funds, can be very complex.

Readers are also cautioned to examine carefully the definition of income associated with various poverty definitions. For example, the poverty thresholds used by the Labor Department for its Comprehensive Employment and Training Act (CETA) program are identical to those promulgated by the Community Services Administration, but the income definition is different.

It should also be noted that this paper does not list all programs which significantly benefit the poor — only those that make use of poverty terminology. For example, Social Security benefits are not described, even though their effect on the poor is significant.

Because the uses of poverty terminology vary so widely, it is not possible to organize the material submitted by the various Federal departments and agencies in a single, uniform manner that avoids obscuring the real differences. On the other hand, a mere listing of the submissions would impose a burden on the reader. This paper, therefore, presents the material in two ways. The next section summarizes the most commonly used definitions of poverty, so that the reader obtains some insight into the commonalities of usage across departments and agencies. The remainder of the paper is organized by department or agency and describes, for each, the major poverty-related programs and their administrative guidelines and legislative usages.

MOST COMMONLY USED POVERTY DEFINITIONS

THE OFFICIAL STATISTICAL POVERTY DEFINITION

The Census Bureau, in compiling statistical information about low-income populations, uses a system of 124 separate poverty thresholds (based on income) which take into account factors such as family size and composition, and farm or non-farm residence. These poverty lines are adjusted upward each year according to changes in the Consumer Price Index. The set of poverty lines is fully described under Department of Commerce, Census Bureau usages immediately following this section. It was first developed by Mollie Orshansky of the Social Security Administration in 1964 and subsequently designated by the Office of Management and Budget in 1969 as the official system of poverty thresholds to be used for all statistical purposes within the Federal government. It is variously identified by any one of the phrases noted in the Preface. Because the poverty index has so many distinct thresholds, it is seldom used directly for administrative purposes. The Census Bureau publishes simplified "weighted average" threshold tables which statistically reduce the number of lines for purposes of easy reference or for statistical studies based on data which cannot distinguish various family types. References to these official poverty thresholds are frequently ambiguous. However, it is the most extensively used poverty measurement system throughout the government, and most other major systems are derived from it or are related to it.

PROGRAM GUIDELINES OF THE COMMUNITY SERVICES ADMINISTRATION

In August 1967, the Office of Economic Opportunity issued uniform income guidelines for all programs it then funded which used income to determine eligibility. These program eligibility guidelines were based on the Orshansky definition. The Community Services Administration, formerly the Office of Economic Opportunity, now publishes annual updates of these program guidelines based on changes in the Consumer Price Index. Other major programs targeted to low-income populations, such as the Labor Department's employment programs and the Agriculture Department's Free and Reduced-Price Meals and Free Milk programs, use these guidelines, derivatives of them, or guidelines similar to them.

For purposes of clarity and consistency, the income guidelines published by the Community Services Administration will be referred to as the CSA program guidelines, except where direct quotations use its former name; then the income guidelines will be called OEO guidelines. These guidelines are described in detail in the section entitled "Community Services Administration." Whereas the poverty index used by the Census Bureau is the official statistical definition of poverty, the CSA program guidelines, probably because they were the first such administrative guidelines and are easily adapted for general use, are sometimes referred to as the official program definition of poverty.

PUBLIC ASSISTANCE

A number of Federal programs for low-income persons define eligibility in terms of receipt of public assistance or independent eligibility in another welfare program. Thus, a person is considered to be poor if he is on welfare. For example, regulations for the Comprehensive Employment and Training Act define an economically disadvantaged person as "a person who is a member of a family 1) which receives cash welfare payments; or 2) whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget." Similarly, eligibility for Food Stamps is based on income and resource guidelines issued by the Labor Department or on receipt of public assistance or Supplemental Security Income.

Normally, cash welfare payments or public asistance means participation in the Aid to Families with Dependent Children (AFDC) program, the Supplemental Security Income (SSI) Program, or other state or Federal welfare programs. Thus, guidelines promulgated with respect to eligibility for AFDC and SSI become important in a discussion of poverty terminology. The criteria for AFDC eligibility vary considerably among the various states, a fact which may be viewed by some as causing great inconsistencies and inequities and by others as providing for needed adjustments to various conditions within different areas. The AFDC guidelines are described in detail under the section dealing with the Social and Rehabilitation Services. The SSI standards are found under the section dealing with the Social Security Administration. Both sections are contained in this study under the general heading of Department of Health, Education, and Welfare.

OTHER COMMONLY USED TYPES OF POVERTY GUIDELINES

In addition to the specific poverty measurement or income-related program eligibility systems identified previously, the following general types of poverty guidelines are used.

- A single dollar amount for all families. A person is considered to be poor if he is a member of a family whose total income is less than a specified amount which does not vary by family size. Such a definition was originally used as the official Federal statistical and programmatic measure which set the "poverty line" at $3,000. (The poverty line for unrelated individuals was set at $1,500.) This type of definition was also once used for distribution of funds under Title I of the Elementary and Secondary Education Act of 1965, and it is currently used (at a higher dollar amount) for distribution of funds to state and local governments under the Comprehensive Employment and Training Act, as well as in a number of other programs.

- Higher percentages of the official Federal or CSA poverty lines. The Census Bureau publishes statistics showing characteristics of low-income persons whose incomes are less than 125 percent of the official Federal poverty lines. These are sometimes referred to as the "near poor" population. Statistics based on higher percentages are also available. Funds for some programs, such as those of the Children's Nutrition Programs which use 195% of the official poverty lines, are distributed using higher income lines as eligibility criteria.

- Percentage of median income. Two recently enacted laws, Title XX of the Social Security Act and the Housing and Community Development Act of 1974, use percentages of median income (80 percent to 115 percent of median family income in each state in the case of Title XX of the Social Security Act, and 50 percent and 80 percent of median family income of the "area" for the Housing and Community Development Act of 1974). The use of income eligibility criteria based on median income is a relatively new development in Federal programs, although these are precedents in the case of social service programs.

- Unspecified eligibility criteria. Administrative and legislative references abound in terms which target Federal programs to the "disadvantaged," "economically disadvantaged," "unemployed," "underemployed," "needy," "dependent," "individuals whose income and resources are insufficient," etc., without further elaboration.

GENERAL OBSERVATIONS

It should be noted that some programs use more than one type of definition of poverty. An example is the Comprehensive Employment and Training Act of the Labor Department. Some funds for this program are distributed to local government units based on the number of families with incomes less than a specified dollar threshold. These funds are then provided by local sponsors to needy persons based partially on income guidelines adjusted for family size. Welfare recipients are also eligible (if they meet other employment-related criteria).

The effect of almost all adaptations of the statistical poverty lines for program purposes is to reach a "poverty" population larger than that which is defined by the official poverty levels. Usually, this is the result of an increase in the poverty line or the inclusion of welfare recipients above the poverty line.

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

INTRODUCTION

The Census Bureau is responsible for calculating and for publishing the official statistical series relating to poverty in the United States. The series was developed over time with participation by other Federal agencies, mainly the Social Security Administration. The following material describes the early development of the series, the theoretical basis for the series, current poverty thresholds, and the major standard reporting systems using the thresholds.

EARLY DEVELOPMENT OF THE STATISTICAL POVERTY SERIES

The Report of the Council of Economic Advisors announced a "War on Poverty" in January 1964. The Council designated as poor any family of two or more persons with income for the year of less than $3,000, and any person living alone (or with nonrelatives) on an income of less than $1,500. The Council cited a Social Security Administration (SSA) study which estimated $3,165 as a minimum income needed (in 1961) for a nonfarm family of two adults and two children as the rationale for making $3,000 and $1,500 the critical thresholds delineating poverty.

Mollie Orshansky, working for the Social Security Administration, published an article "Counting the Poor" in January 1965, in the Social Security Bulletin. The poverty population was considered as families having an income below that required to purchase a minimal cost adequate diet in keeping with American family expenditure patterns. She used a sliding scale of income requirements centered around family size and composition, rather than the traditional single income cut-off or some measure counting a constant proportion of the population.

Using a special tabulation of 1963 incomes from the March 1964 Current Population Survey, Orshansky demonstrated that although the total number of poor calculated using the sliding scale was about the same as the number calculated using the single income cut-off, the two populations differed radically. In her total poor group, small families with incomes less that $3,000 were excluded, and families with many children and with requirements exceeding $3,000 were now included.

Orshansky's statistical definition of poverty was published just as the Economic Opportunity Act of 1964 was being put into effect. The Research Division of the Office of Economic Opportunity adopted Miss Orshansky's poverty measure (also known as the SSA poverty measure) as a working tool for budget and planning purposes and also as an administrative guideline for program purposes.

The poverty measures and the poverty population they delineated remained quasi-official numbers until August 1969. Then, the Bureau of the Budget now the Office of Management and Budget (OMB), designated them as the official statistical series to be published regularly by the Census Bureau.

THEORETICAL BASIS FOR THE SERIES

The poverty measure used by the Census Bureau, based on the definition developed by Mollie Orshansky of the Social Security Administration in 1964 and adopted as the official statistical standard by the Office of Management and Budget in 1969, is an attempt to specify in dollar terms a minimum level of income adequacy for families of different types, in keeping with American consumption patterns. The Department of Agriculture's 1961 Economy Food Plan, which was suitable for emergency use or when funds were temporarily low, was specified as the minimum adequate diet. Orshansky adapted this plan to various family sizes and types. The final step was to estimate non-food expenses, and this was based on a 1955 survey of food consumption. This survey found that one in every three dollars of income was spent on food by the average American family. Thus, for families of three or more persons, the smallest acceptable income was set at three times the cost of the three-member family Economy Food Plan. For smaller families and persons residing alone, the cost of the economy food plan was multiplied by factors greater than one to compensate for the relatively higher fixed expenses of these smaller households.

The Social Security Administration poverty cut-offs were also corrected for the fact that farm families customarily obtain their housing as well as their food as part of the farm business operation rather than by direct expenditure of net family income. On the basis of available data, a farm family needed only 70 percent as much cash as a nonfarm family. The 1969 Federal Interagency Committee revised the farm-nonfarm differential to 85 percent.

The Social Security Administration criteria were originally developed in terms of 1963 income and prices. They were extended forward through 1967 and backward to 1959, modified only by price revisions based on changes in the cost of food in the Economy Food Plan. During the 1960's, however, the cost of the economy food plan did not increase as much as the overall cost of living. Thus, general price changes between 1959 and 1968 were not reflected by comparable changes in the poverty threshold. To remedy this, a Federal Interagency Committee proposed, in 1969, that annual adjustments in the low-income thresholds be based on changes in the Consumer Price Index.

CURRENT POVERTY THRESHOLDS

The income thresholds used by the Bureau of the Census to determine the low-income status of families and unrelated individuals consist of a set of 124 thresholds arranged in a four-dimensional matrix consisting of family size (from one person to seven-or-more-person families), presence and number of family members under 18 years old (from no children present to six-or-more-children present), sex of head, and farm-nonfarm residence (Table 1). The farm thresholds are set at 85 percent of the nonfarm

Table 1. Income Thresholds at the Poverty Level in 1974 by Sex of Head, Size of Family, and Number of Related Children Under 18 Years Old, by Farm-Nonfarm Residence

Size of family unit	Number of related children under 18 years old						
	None	1	2	3	4	5	6 or more
NONFARM							
Male Head							
1 person (unrelated indiv.):							
Under 65 years...............	$2,658						
65 years and over............	2,387						
2 persons:							
Head under 65 years..........	3,324	$3,724					
Head 65 years and over.......	2,985	3,724					
3 persons......................	3,870	3,996	$4,223				
4 persons......................	5,103	5,178	5,000	$5,252			
5 persons......................	6,158	6,232	6,032	5,881	$6,006		
6 persons......................	7,063	7,087	6,937	6,766	6,585	$6,686	
7 or more persons..............	8,896	8,972	8,796	8,645	8,445	8,142	$8,068
Female Head							
1 person (unrelated indiv.):							
Under 65 years...............	$2,458						
65 years and over............	2,357						
2 persons:							
Head under 65 years..........	3,072	$3,353					
Head 65 years and over.......	2,948	3,353					
3 persons......................	3,745	3,568	$3,946				
4 persons......................	4,900	5,075	5,053	$5,000			
5 persons......................	5,881	6,058	6,032	5,982	$5,781		
6 persons......................	6,862	6,987	6,937	6,886	6,660	$6,457	
7 or more persons..............	8,619	8,746	8,720	8,645	8,419	8,244	$7,841
FARM							
Male Head							
1 person (unrelated indiv.):							
Under 65 years...............	$2,258						
65 years and over............	2,030						
2 persons:							
Head under 65 years..........	2,825	$3,165					
Head 65 years and over.......	2,537	3,165					
3 persons......................	3,291	3,397	$3,590				
4 persons......................	4,358	4,402	4,249	$4,465			
5 persons......................	5,235	5,298	5,127	4,998	$5,106		
6 persons......................	6,003	6,024	5,897	5,768	5,597	$5,683	
7 or more persons..............	7,562	7,627	7,477	7,348	7,179	6,921	$6,858
Female Head							
1 person (unrelated indiv.):							
Under 65 years...............	$2,089						
65 years and over............	2,002						
2 persons:							
Head under 65 years..........	2,611	$2,851					
Head 65 years and over.......	2,506	2,851					
3 persons......................	3,183	3,033	$3,355				
4 persons......................	4,165	4,313	4,294	$4,249			
5 persons......................	4,998	5,149	5,127	5,085	$4,914		
6 persons......................	5,832	5,939	5,897	5,853	5,662	$5,489	
7 or more persons..............	7,325	7,435	7,412	7,348	7,156	7,007	$6,665

thresholds. Unrelated individuals and two-person families are further differentiated by age of head (under 65 years and 65 years and over). The total family income of each family in the sample is compared with the appropriate dollar threshold. If the family's total income is less than that threshold, the family is classified as poor.

Table 2 presents the thresholds more simply than Table 1; the number-of-children categories have been collapsed into weighted averages. For each three-dimensional category in Table 1 (size of family, sex of head, and place of residence), the weighted average threshold for a specific family size is obtained by multiplying each number-of-children threshold by the total number of such families of all incomes in that family size category in the U.S. population, and dividing the aggregated products by the number of families of that size.

Since family composition varies by farm-nonfarm residence, the weighted average thresholds at the low-income level for farm families, as shown in Table 2, will not be exactly 85 percent of nonfarm levels. Also, since the distribution of families by composition may vary somewhat from year to year, the weighted average thresholds do not reflect identically the change in the Consumer Price Index which is applied uniformly to each of the 124 thresholds.

Table 2. Weighted Average Thresholds at the Poverty Level in 1974 by Size of Family and Sex of Head, by Farm-Nonfarm Residence

Size of family unit	Total	Nonfarm			Farm		
		Total	Male head[1]	Female head[1]	Total	Male head[1]	Female head[1]
1 person (unrelated individual)....	$2,487	$2,495	$2,610	$2,413	$2,092	$2,158	$2,029
14 to 64 years....................	2,557	2,562	2,658	2,458	2,197	2,258	2,089
65 years and over.................	2,352	2,364	2,387	2,357	2,013	2,030	2,002
2 persons.........................	3,191	3,211	3,220	3,167	2,707	2,711	2,632
Head 14 to 64 years...............	3,294	3,312	3,329	3,230	2,819	2,824	2,706
Head 65 years and over............	2,958	2,982	2,984	2,966	2,535	2,535	2,533
3 persons.........................	3,910	3,936	3,957	3,822	3,331	3,345	3,133
4 persons.........................	5,008	5,038	5,040	5,014	4,302	4,303	4,262
5 persons.........................	5,912	5,950	5,957	5,882	5,057	5,057	5,072
6 persons.........................	6,651	6,699	6,706	6,642	5,700	5,700	5,702
7 persons or more.................	8,165	8,253	8,278	8,079	7,018	7,017	7,066

[1] For one person (i.e. unrelated individual), sex of the individual.

MAJOR STANDARD REPORTING SYSTEMS

Currently, there are two major sources of data relating to the poverty population: the March Current Population Survey and the Decennial Census.

Current Population Survey

The Current Population Survey (CPS) is a national sample survey of approximately 47,000 households which is conducted every month. In March of each year data are collected on income received in the previous year. The sample is spread out over 461 areas comprising 923 counties and independent cities with coverage in each of the 50 States and the District of Columbia. The poverty data have been published annually in the Current Population Reports Series P-60, thus giving us a continuous series of data for the past 15 years (1959 to 1974).

Definition of Income. For each person 14 years old and over in the sample, questions were asked in March 1975 on the amount of money income received in 1974 from each of the following sources:

(1) Money wages or salary.

(2) Net income from nonfarm self-employment.

(3) Net income from farm self-employment.

(4) Social Security or Railroad Retirement.

(5) Supplemental Security income.

(6) Public assistance or welfare income.

(7) Interest on savings or bonds.

(8) Dividends, net rental income, or income from estates or trusts.

(9) Veterans' payments, unemployment compensation, or workmen's compensation.

(10) Private pensions or annuities, military retirement, or government employee pensions.

(11) Alimony or child support, other regular contributions from persons not living in household, and other periodic income.

Data on income collected in the CPS are limited to money income received before payments for personal income taxes, Social Security, union dues, Medicare deductions, etc. The receipt of money income does not reflect the fact that many families receive part of their income in the form of nonmoney transfers such as food stamps, health benefits, and subsidized housing; that many farm families receive nonmoney income in the form of rent-free housing and goods produced and consumed on the farm; or that nonmoney incomes are also received by some nonfarm residents which often take the form of the use of business transportation and facilities, full or partial payments by business for retirement programs, medical and educational expenses, etc.

Questionnaire and Procedural Changes. While the income concept used in the annual supplement to the March Current Population Survey has remained basically unchanged, modifications made in the method of collecting and processing of income data may affect comparability of poverty counts from one year to the next. In recent years changes have been made in sample and estimation procedures; in the wording of the questionnaire; in the method of collecting the income data; and in the processing of the data -- particularly in the editing of the income data and in the treatment of income nonresponses. Following is a summary of the major changes made between 1959 and 1974 in collecting and processing of the income data:

> Prior to the March 1962 CPS, the distributions by income levels had been based only on those cases which reported complete income information. Beginning with the March 1962 survey, when a respondent did not answer one or more of the income items, all of his income data were imputed; starting in March 1966, only the unanswered income items were imputed. Also commencing with the March 1966 CPS, the income data were collected from the full CPS sample, whereas prior to that time the data on income were obtained only from three-fourths of the sample. In March 1968 the Bureau of the Census introduced improved income edit and allocation procedures: (1) the set of social and economic characteristics within which the imputations are made were expanded; (2) inconsistent reporting was eliminated; and (3) a new imputation procedure which assigns missing earnings entries first and then utilizes the earnings information to assign missing sources of income other than earnings was implemented.

Improvements in the procedures used to collect income data were made in the March 1969, 1970, and 1971 Current Population Surveys. These included (1) extension of the interview period to accomodate household respondents who needed more time to obtain the required income information; (2) the addition of "yes-no" circles to the questions on income other than earnings in order to ascertain whether the respondent received or did not receive income; (3) the simultaneous collection of information on work experience and income for the full sample (in previous years, work experience was collected separately from income data); and (4) training instructions for interviewers were strengthened by including more detailed explanations and more examples.

In the March 1975 CPS, several modifications in the design and content of the questionnaire were introduced to allow for more detailed questioning of certain income items. Because of their relevance to the current efforts being made to improve the data on poverty, a detailed description of these changes follows:

1. In the March 1974 CPS, income from aid to families with dependent children, old age assistance, and aid to the blind or totally disabled were asked in one combined question on welfare payments. Beginning in January 1974, the programs for old age assistance and aid to the blind or totally disabled were replaced by the Supplemental Security program. Therefore, in March 1975 a separate question was asked for the receipt of supplemental

security income. Income from aid to families with dependent children or any other assistance was asked under the general category of public assistance or welfare payments.

2. In the March 1974 CPS, income from interest, net rental income or income from estates, trusts, or dividends was asked in one question. In the 1975 CPS these income types were asked as two questions with income received from interest on savings accounts or bonds included in one question and income from estates, trusts, or dividends in the other.

3. In the March 1974 CPS, income received from private pensions was asked along with alimony and certain other income items while income from government employee pensions was asked along with veterans' payments, unemployment compensation and workmen's compensation. In the March 1975 CPS, income received from both private and government employee pensions (including military retirement) were extracted from their previous categories and asked as one combined question.

In order to expedite processing of the March 1975 CPS data, it was decided to tabulate the income data according to the same income groupings used from the March 1974 CPS data. The new information on supplemental security income was tabulated along with public assistance since it replaced old age assistance and aid to the blind or totally disabled. It is planned to incorporate the detailed income categories into the published income tabulations for the March 1976 CPS.

Decennial Census

The 1970 Census of Population was the first Decennial Census to have poverty data included in the published reports. Poverty statistics based on the 20-percent sample for the United States, regions, divisions, States, SMSA's, places having a population of 2,500 or more, and counties were published in chapter C of 1970 Census of Population, Volume I, Characteristics of the Population. More detailed poverty data cross-classified by such variables as education, employment status, occupation, and income were published in chapter D of volume I for the United States, regions, States, SMSA's of 250,000 population or more, and central cities of these SMSA's.

In general, poverty statistics from the 1960 Census of Population are not available in a published format. Most of these data are available in the form of computer printouts, the major sources of which are: (1) a special tabulation prepared by the Bureau of the Census for OEO which shows poverty data by selected characteristics for the United States, regions, States, and counties, and (2) a special tabulation prepared by the Bureau of the Census providing data for the 100 largest SMSA's and their central cities. The only source of published data on poverty from the 1960 Census appear in the 1970 Census of Population, Supplementary Report, PC(S1)-105, "Poverty Status in 1969 and 1959 of Persons and Families, for States, SMSA's, Central Cities, and Counties: 1970 and 1960." This report presents selected data on the poverty status in 1969 and 1959 of persons and families for the United States and for each of the States, counties, SMSA's and central cities tral Cities, and Counties: 1970 and 1960." This report presents selected data on the poverty status in 1969 and 1959 of persons and families for the United States and for each of the States, counties, SMSA's and central cities of large SMSA's. The tables bring together the most frequently requested comparable data for geographical areas from the 1970 and 1960 Censuses. The report also includes previously unpublished 1970 Census data on school-age children in families below the poverty level (by county), and on the aged poor; comparable data are not available from the 1960 Census.

Definition of Income. The income concept used in the 1970 Census is essentially the same as that employed in the CPS. For each person 14 years and over in the 20-percent sample, questions were asked in April 1970 on the amount of money income received in 1969 from each of the following sources:

(1) Money wages or salary.

(2) Net income from nonfarm self-employment.

(3) Net income from farm self-employment.

(4) Social Security or Railroad Retirement.

(5) Public assistance or welfare income.

(6) Income from all other sources.

Comparability of Decennial Census and Current Population Survey Data

It should be noted that statistics on income in 1969, collected in the Current Population Survey of March 1970, differ from data for that year in the Decennial Census, despite the fact that the same basic concept was used in both instances. The Census reports more poor persons and families than are reported in the Current Population Survey. The number of poor persons in the 1970 Census was 27.1 million, compared to 24.1 million counted during the March 1970 Current Population Survey. The figures for low-income families were 5.5 million and 5.0 million, respectively. There are several reasons for these differences. First, college students are generally enumerated at their own homes in the Current Population Survey and classified as family members, whereas in the Census they were enumerated at their college residence, usually as secondary individuals. Secondly, the small group of Current Population Survey interviewers is more experienced and receives more intensive training and supervision than the larger number of temporary Census enumerators and, consequently, may have more often obtained more accurate answers from respondents. Furthermore, approximately 60 percent of the households were self-enumerated in the 1970 Census. Moreover, income data in the March 1970 Current Population Survey were based on responses to separate questions on eight types of income, as well as responses to additional yes-no circles within 3 of these questions, whereas in the Census only six questions were used.

COMMUNITY SERVICES ADMINISTRATION

INTRODUCTION

Office of Economic Opportunity (OEO), now known as the Community Services Administration (CSA), was established by the Economic Opportunity Act of 1964. The purpose of the Act and of the establishment of the Office was to assist the low-income population, the disadvantaged, and the poor. Thus, the Economic Opportunity Act abounds with references to poverty, too numerous to mention. Some of the programs mandated by the Economic Opportunity Act of 1964 are administered by other Federal agencies. Examples are:

-- Comprehensive Health Services (Public Health Services - HEW)

-- Head Start (Office of Human Development - HEW)

-- Follow Through (Office of Education - HEW)

-- Native American Program (Office of Human Development - HEW)

-- Farmer's Home Administration Programs (Dept. of Agriculture)

-- Summer Youth Recreation (CSA in consultation with Dept. of Labor)

These programs are described later in the sections describing their respective agencies.

SUMMARY OF SIGNIFICANT PROGRAMS ADMINISTERED BY THE COMMUNITY SERVICES ADMINISTRATION

Presently, CSA is operating under the mandate of the Community Services Act of 1974, which amends the Economic Opportunity Act of 1964.

All CSA programs are targeted either to low-income or near-poor persons or to areas with high concentrations of low-income or near-poor persons. Listed below are the most relevant CSA programs with parenthetical reference to sections of the Community Services Act of 1974.

1. Research, Demonstration and Pilot Grants for new approaches and methods to overcome poverty (Section 102 (a))

2. Community Action Program to organize local poor and their local governments in coordinated efforts to alleviate or reduce poverty (Section 210)

3. Provision of Emergency Energy Conservation Services to the poor, the aged, and the near-poor (Section 222 (12))

4. Summer Youth Recreation Programs for poor children, in cooperation with CETA (Comprehensive Employment and Training Act) sponsors (Section 222 (13))

5. Continued assistance to migrant and other seasonally employed farmworkers (not only those who are poor) begun under Section 312 of the Economic Opportunity Act of 1964 (Section 315)

6. Community Economic Development funds to establish special nonprofit, private programs for rural and urban areas with high concentrations of poverty (Title VII, Section 701, etc.)

7. Special rural programs to offer funds to low-income rural families and cooperatives if a permanent increase in the family income is a likely result (Section 721, etc.)

8. Development Loans for Community Economic Development if repayable, including funds to establish a Model Community Economic Development Corporation in cooperation with the Secretaries of Agriculture, Commerce, or Housing and Urban Development, as appropriate (Section 731, etc.)

It should be noted that the Director of CSA is now limited to administering Titles I, II, IIIB, VI, VII, and IX of the Economic Opportunity Act of 1964, as amended. The original act should be consulted jointly with the Community Services Administration amendment.

POVERTY TERMINOLOGY USED WITHIN THE COMMUNITY SERVICES ADMINISTRATION

Poverty terminology used within CSA falls into two distinct categories: legislative, which is based on the Community Services Act of 1974, and administrative, which arose from a need to initiate and update programs created by that law.

Legislative Usages

The Community Services Act of 1974 has too many usages of poverty terminology to enumerate. Some typical examples are presented here to illustrate the broad and varied treatment.

Community Action Programs -- Economic Opportunity Act of 1964

> (d)(1) Section 222 (a) of the Economic Opportunity Act of 1964 is amended by inserting after paragraph (11) the following:
>
> (12) program to be known as 'Emergency Energy Conservation Services' ...designed to enable low-income individuals and families, including the elderly and the near-poor to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and

families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning and insulation; emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies, special fuel voucher or stamp programs; alternative transportation activities designed to save fuel and to assure continued access to training, education, and employment, appropriate outreach efforts; furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; nutrition, health, and other supportive services in emergency cases; and evaluation of programs and activities under this paragraph. Such assistance may be provided as a supplement to any other assistance extended under the provisions of this Act or under other provisions of Federal Law. The Director, after consultation with the Administration of the Federal Energy Office and appropriate Federal departments and agencies, shall establish procedures and take other appropriate action necessary to insure that the effects of the energy crisis on low-income persons, the elderly, and the near-poor are taken into account in the formulation and administration of programs relating to the energy crisis.

(13) A program to be known as 'Summer Youth Recreation' designed to provide recreational opportunities for low-income children during the summer months. Funds made available for this section shall be allocated by the Director, after consultation with the Secretary of Labor, among prime sponsors, and other agencies designated under Title I of the Comprehensive Employment and Training Act of 1973 on the basis of (1) the relative number of public assistance recipients in the area served by such prime sponsor or agency, as compared to the Nation; (2) the relative number of unemployed persons in such areas as compared with the Nation; and (3) the relative number of related children living with families with incomes below the poverty line in such area, as compared to the Nation ... For purposes of this subsection, the Director shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial Census ...

Section 7, Title IV, of the Economic Opportunity Act of 1964 is amended to read as follows: Title IV Comprehensive Health Services, Section 401 (a). The Secretary shall establish within the Department of Health, Education, and Welfare a Comprehensive Health Services program which shall include --

(1) programs to aid in developing and carrying out comprehensive health services projects focused upon the needs of urban and rural areas having high concentrations or proportions of poverty and marked inadequacy of health services for the poor. These projects shall be designed —

(A) To make possible, with maximum feasible use of existing agencies and resources, the provision of comprehensive health services, such as preventive medical, diagnostic, treatment, rehabilitation, family planning, narcotic addiction, and alcoholism prevention and rehabilitation, mental health, dental, followup services, together with necessary related facilities and services, except in rural areas where the lack of even elemental health and personnel may require simpler, less comprehensive services to be established first; and

(B) To assure that these services are made readily accessible to low-income residents of such areas, are furnished in a manner most responsive to their needs and with their participation and wherever possible are combined with, or included within, arrangements for providing employment, education, social, or other assistance needed by the families and individuals served, except that pursuant to such regulations as the Secretary of Health, Education, and Welfare may prescribe.... (2) programs to provide financial assistance to public or private agencies to projects designed to develop knowledge or enhance skills in the field of health services for the poor. Such projects shall encourage both prospective and practicing health professionals to direct their talents and energies toward providing health services for the poor.... In carrying out the provisions of paragraph (2) of this subsection, the Secretary is authorized to provide or arrange for training and study in the field of health services for the poor.

> "Drug Rehabilitation and Alcoholic Counseling and Recovery Programs"
>
> Section 402. In addition to the authority conferred under Section 401 of this title, the Secretary is authorized, as part of the Comprehensive Health Services Programs, to carry out the following programs: ... (2) A Drug Rehabilitation program ... The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become non-low-income by virtue of becoming employed as a part of the rehabilitation process, but there shall be no change in income eligibility criteria for initial admission to treatment and rehabilitation programs under this Act. (Emphasis added.)

Administrative Guidelines

The Economic Opportunity Act of 1964, amended in 1972, requires administrative guidelines about the use of the poverty line to be published by agencies administering its programs. The following is quoted from the Federal Register, Volume 39, No. 100, May 22, 1974.

> Section 625
>
> (a) Every agency administering programs authorized by this Act in which the poverty line is a criterion of eligibility shall revise the poverty line at annual intervals, or at any shorter interval it deems feasible and desirable.
>
> (b) The revision required by paragraph (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.
>
> (c) Revisions required by paragraph (a) of this section shall be made and issued not more than 30 days after the date on which the necessary Consumer Price Index data becomes available.

Because of the close association of the Community Services Administration and the Community Services Act of 1974, agencies which administer programs within the Community Services Act look to the CSA for guidance in updating their own low-income administrative guidelines. The CSA guidelines are based on the official statistical index published by the Census Bureau. They are reproduced below.

INCOME POVERTY GUIDELINES — COMMUNITY SERVICES ADMINISTRATION

1060.2-1 Applicability.
1060.2-2 Purpose.
1060.2-3 Background—Income Guidelines.
1060.2-4 Policy.

AUTHORITY: SEC. 602, 78 Stat. 530 (42 U.S.C. 2942)

Sec. 1060.2-1 Applicability.

This subpart applies to all grants financially assisted under Titles II and III-B of the Community Services Act of 1974 if such assistance is administered by the Community Services Administration.

Sec. 1060.2-4 Policy.

(a) In order that the level of poverty which is used to determine program eligibility does not change as a result of substantial increases in the cost of living as measured by the Consumer Price Index, CSA revises, from time to time, its income guidelines in order to reflect such increases. Attached are the latest revised guidelines.

(b) These income guidelines are to be used for all those CSA-funded programs, whether administered by a grantee or delegate agency, which use CSA poverty income guidelines as admission standards. These guidelines do not supersede alternative standards of eligibility approved by CSA, such as Emergency Food and Medical Services Standards used in programs offered by the Department of Agriculture.

(c) The guidelines are also to be used in certain other instances where required by CSA as a definition of poverty, e.g., or for purposes of data collection and for defining eligibility for allowances and reimbursements to board members. Agencies may wish to use these guidelines for other administrative and statistical purposes as appropriate.

(d) The attached guidelines are based upon Table A-3 of Current Population Reports, P-60, No. 98, Bureau of the Census, January 1975, and the percentage change in the Consumer Price Index from 1973 to 1974 as set forth in Table C-44 of the Economic Report of the President, February 1975.

(e) The following definitions, from Current Population Reports, P-60, No. 91, Bureau of the Census, December 1973, have been adopted by CSA for use with the poverty guidelines at the end of this section.

(1) Income. Refers to total cash receipts before taxes from all sources. These include money wages and salaries before any deductions, but not including food or rent in lieu of wages. They include receipts from self-employment or from own farm or business after deductions, for business or farm expenses. They include regular payments for public

assistance, social security, unemployment and workman's compensation, strike benefits from union funds, veterans benefits, training stipends, alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household; government employee pensions, private pensions and regular insurance or annuity payments; and income from dividends, interest, rents, royalties, or income from estates and trusts. For eligibility purposes, income does not refer to the following money receipts; any assets drawn down as withdrawals from a bank, sale of property, house or car, tax refunds, gifts, one-time insurance payments or compensation for injury; also to be disregarded is non-cash income, such as the bonus value of food and fuel produced and consumed on farms and the imputed value of rent from owner-occupied farm or nonfarm housing.

(2) A Farm Residence. Is defined as any dwelling on a place of 10 acres or more with $50 or more annual sales of farm products raised there, or any place less than 10 acres having product sales of $250 or more.

CSA Poverty Guidelines for all States except Alaska and Hawaii

Family Size	Nonfarm Family	Farm Family
1	$2,590	$2,200
2	3,410	2,900
3	4,230	3,600
4	5,050	4,300
5	5,870	5,000
6	6,690	5,700

NOTE—For family units with more than 6 members add $820 for each additional member in a nonfarm family and $700 for each additional member in a farm family.

CSA Income Poverty Guidelines for Alaska

Family Size	Nonfarm Family	Farm Family
1	$3,250	$2,750
2	4,270	3,620
3	5,290	4,190
4	6,310	5,360
5	7,330	6,230
6	8,350	7,100

NOTE—For family units with more than 6 members add $1,020 for each additional member in a nonfarm family and $870 for each additional member in a farm family.

CSA Income Poverty Guidelines for Hawaii

Family Size	Nonfarm Family	Farm Family
1	$2,990	$2,540
2	3,930	3,340
3	4,870	4,410
4	5,810	4,940
5	6,750	5,740
6	7,690	6,540

NOTE—For family units with more than 6 members add $940 for each additional member in a nonfarm family and $800 for each additional member in a farm family.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

INTRODUCTION

The Department of Health, Education, and Welfare (HEW) does not publish uniform poverty guidelines to be used throughout the Department. Each of the major components of HEW publishes its own guidelines, consistent with its unique legislative or administrative requirements. The respective components are treated next, in the following order:

-- Social and Rehabilitation Services

-- Social Security Administration

-- Office of Human Development

-- Education Division

-- Public Health Service

Social and Rehabilitation Services

No overall poverty guidelines are published for administrative purposes by the Social and Rehabilitation Services (SRS). However, detailed poverty guidelines are contained in the legislation pertaining to each program. There are three significant programs to discuss: The Aid to Families with Dependent Children Program; Title XX of the Social Security Act; and MEDICAID.

Aid To Families With Dependent Children

State Standards for Determining Eligibility Standards

The major goal of the Aid to Families with Dependent Children (AFDC) program, as set forth in Title IV of the Social Security Act, is to encourage care of dependent children in their own homes or in the homes of relatives.

Section 402 of the Social Security Act specifies that the states, through a state plan, must determine family need and certain constraints, which will be discussed below. Therefore, there is no one poverty standard, for AFDC, as such, but rather, 54 separate standards set by the states and other jurisdictions. The AFDC standards set forth two basic criteria, demographic eligibility and financial eligibility.

Demographic Eligibility

Demographic eligibility criteria for AFDC are set forth by Federal Statute, regulation, and by state plan (where there are state options).

Generally, states may be reimbursed by the Federal government for providing aid to dependent children until age 18 or 21 (if attending school as defined by that state) and parents. Normally, families with present able-bodied fathers are excluded, except in 25 states which cover unemployed fathers not receiving unemployment compensation benefits.

There are numerous state options of eligibility which, of course, complicate the AFDC standard. Major options as of September 20, 1974, including the number of states providing coverage, are summarized as follows:

1. Dependent children age 18-21 regularly attending school — 42 jurisdictions
2. Emergency assistance — 29 jurisdictions
3. Federal participation for second parent if both are in the home and one is incapacitated or unemployed — 49 jurisdictions
4. Aid to families with unemployed fathers -- 25 jurisdictions
5. Aid to families with unemployed fathers where unemployment is due to a strike — 17 jurisdictions

Financial Eligibility

After consideration of the demographic eligibility criteria, the financial need of the individual AFDC units (usually female-headed families) as defined by Federal regulations and state practice becomes the "AFDC standard." Standards are based upon estimated needs of families (e.g., food, clothing, shelter); in practice, this determination varies widely by state. A survey by Assistance Payment Administration as of April 1974 indicated that only three states use an automatic escalator clause, while 18 states base increases on the changes in the Consumer Price Index. Ten states indicated that fund availability was the major determinant, whereas 18 states did not say that any factor was predominant. More recent data indicate that changes in standards, at least in the last year, have ben numerous. From January 1973 to July 1974, 31 jurisdictions made changes, and only six jurisdictions did not plan changes. These changes, however, have not kept up with inflation.

The state-by-state range of allotments for a family of four varies from $132 to $458 per month, but the full standard is not always paid. Figure 1 compares the standard for each state with the largest amount actually paid. Even if the full standard were paid, state maximums for a family of four with no other income were below the poverty threshold in all jurisdictions and below 80 percent of the poverty threshold in 42 of the 51 states in July 1974. The recent changes referred to in the paragraph above have not significantly narrowed the gap between the poverty index and the AFDC standards.

Standard Consolidation

Over the last few years, states have been simplifying the basis for calculation of standards through a process of consolidation, in order to speed up, simplify, and reduce cost of administration. A fixed amount is determined for needs. The variables in the formula are shelter and utilities, which are either included in the fixed amount or considered on an as-needed basis.

Benefit Calculation

In determining actual AFDC benefit entitlement, the needs of an individual unit are compared against the standard or maximum; if needs exceed the standard or maximum within the current or prior-month period, then an AFDC grant will be made for all on a pro-rated share of this gap.

AFDC unit needs are determined by looking at number of children, housing costs, utility costs, food costs, child care cost, work expenses, earned income, and non-earned income and assets. Generally, unearned income is deducted from individual need. Assets as defined by the state are not deducted if under the Federal maximum of $2,000 per individual; autos, homes, furnishing, and occasionally life insurance, work tools, and some other assets are disregarded. Earned income is partially disregarded when balancing need and the standard. The amount of $30 plus one-third of earned income plus reasonable work expenses, including day care, can be subtracted from earned income when computing the grant.

The earned-income disregard affects 5.8 percent of AFDC female-headed families where the mother is employed full-time, 9.2 percent of the units where the mother is employed part-time, and to a more limited extent, the 1.5 percent of AFDC units with employed fathers.

A little over half the states altered their AFDC benefits with changes in the Consumer Price Index or other such measures.

Title XX -- Grants To States For Services

Title XX of the Social Security Act authorizes Federal sharing of the cost of state-sponsored social services, which do not include basic health, education, institutional services, or income maintenance. However, Title XX can finance almost any other social service, including day care for children, meals on wheels to shut-ins, homemaker services to families with an ill or disabled head, family planning services, protective services for handicapped people, and whatever else the state defines within its plan.

The terms "need," "dependent," "low-income," and "individuals whose income and resources are insufficient," rather than "poverty," and "poor" are found in Title XX. The 1974 Social Security Amendments to the Social Security Act used the terminology "might soon have to go on welfare," which expanded the coverage of the eligible beyond present welfare recipients. Such participants are defined as "potential" welfare recipients and may have incomes up to 115 percent of the state median income level. Eligibility is defined by the states.

The legislative language of Title XX is complex. It establishes a poverty line and stipulates that one-half of the services must be provided to welfare recipients. The Federal government will not help state agencies make payments for these services if they are charged unreasonable fees. Because of the complexity of the legislative language, part of Section 2002 (a) is provided, intact, next.

> (4) So much of the aggregate expenditures with respect to which payment is made under this section to any State for any fiscal year as equals 50 per centum of the payment made under this section to the State for that fiscal year must be expended for the provision of services to individuals -
>
> (A) who are receiving aid under the plan of the State approved under Part A of Title IV or who are eligible to receive such aid, or
>
> (B) whose needs are taken into account in determining the needs of an individual who is receiving aid under the plan of the State approved under Part A of Title IV, or who are eligible to have their needs taken into account in determining the needs of an individual who is receiving or is eligible to receive such aid, or
>
> (C) with respect to whom supplemental security income benefits under Title XVI or State supplementary payments, as defined in section 2007(1), are being paid, or who are eligible to have such benefits or payments paid with respect to them, or
>
> (D) whose income and resources are taken into account in determining the amount of supplemental security income benefits or State supplementary payments, as defined in section 2007(1), being paid with respect to an individual, or whose income and resources would be taken into account in determining the amount of such benefits or payments to be paid with respect to an individual who is eligible to have such benefits or payments paid with respect to him, or
>
> (E) who are eligible for medical assistance under the plan of the State approved under Title XIX.
>
> (5) No payment may be made under this section to any State with respect to any expenditure for the provision of any service to any individual -

(A) who is receiving, or whose needs are taken into account in determining the needs of an individual who is receiving, aid under the plan of the State approved under Part A of Title IV, or with respect to whom supplemental security income benefits under Title XVI or State supplementary payments, as defined in section 2007(1), are being paid, or

(B) who is a member of a family the monthly gross income of which is less than the lower of -

(i) 80 per centum of the median income of a family of four in the State, or

(ii) the median income of family of four in the fifty States and the District of Columbia, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family,

... if any fee or other charge other than a voluntary contribution imposed on the individual for the provision of that service is not consistent with such requirements (including requirements prohibiting the imposition of any such fee or charge) as the Secretary shall prescribe.

(6) No payment may be made under this section to any State with respect to any expenditure for the provision of any service, other than an information or referral service or a service directed at the goal of preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, to any individual who is not an individual described in paragraph (5), and --

(A) who is a member of a family the monthly gross income of which exceeds 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, or

(B) who is a member of a family the monthly gross income of which --

(i) exceeds the lower of --

(I) 80 per centum of the median income of a family of four in the State, or

> (II) the median income of a family of four in the fifty States and the District of Columbia, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, and
>
> (ii) does not exceed 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, unless a fee or other charge reasonably related to income is imposed on the individual for the provision of the service.
>
> The Secretary shall promulgate the median income of a family of four in each State and the fifty States and the District of Columbia applicable to payments with respect to expenditures in each fiscal year prior to the first day of the third month of the preceding fiscal year....

As can be seen, this legislation requires the establishment of a schedule of fees for the services so that people with incomes less than 80 percent of the state median income will not pay unreasonable fees for these services, possibly paying no fee at all, and so that those with incomes between 80 percent and 115 percent of the state median income will reimburse the state for these services in accordance with a sliding scale of payment.

At the time of writing, promulgation has been made of the median family income of four for each state, but no adjustment for family size has yet been provided. The promulgation of these is found next in toto.

"Eligibility Definition for Participation in Title 20, re Potential Welfare Recipients -- Family Median Income by State", Federal Register, Volume 40, No. 117, June 17, 1975

> Promulgation is made of the median income of a family of four for each State and for the States as a whole, applicable to the period October 1, 1975 through September 30, 1976, for the purpose of determining the extent of Federal financial participation (FFP) in State expenditures under title XX of the Social Security Act, under the provisions of sections 2002(a)(5)(B) and 2002(a)(6)(A) and (B) of that Act. These sections impose certain limitations with respect to the availability of FFP, based upon the relationship of the income of the family of a service recipient to the median income of a family of four in the State, adjusted in accordance with regulations prescribed by the Secretary to take into account the size of the family.
>
> It has been determined that the Bureau of the Census population statistics, contained in its publications "Detailed Characteristics," PC (1) D-1 through PC (1) D-53, Chart 199,

dated 1970, were the most satisfactory data available from the Department of Commerce as to the median income by size of family and by State. In order to develop a current median income scale, adjustments were made using Table 2, Per Capita Personal Income, by State and Regions Selected Years, dated August 1974, in "Survey of Current Business," Vol. 54, No. 8, Part 1, and the Department of Commerce "Current Population Reports: Consumer Income," P-60, No. 93, July 1974.

The methodology for adjusting median income for families of different sizes will be specified in 45 CFR 228.

The median incomes for a family of four, by State, for fiscal year 1976, are set forth below with a calculation of 80 percent and 115 percent of that figure for use by States in establishing income ceilings and fee schedules under title XX of the Social Security Act:

1975 Median Income for Families of Four by State

State	Median Income	80% of Med. Income	115% of Med. Income
Alabama	$11,790	$ 9,423	$13,559
Alaska	17,223	13,778	19,806
Arizona	13,917	11,134	16,005
Arkansas	11,195	8,956	12,874
California	14,773	11,822	16,995
Colorado	14,178	11,342	16,305
Connecticut	15,404	12,323	17,715
Delaware	14,114	11,291	16,231
District of Col.	13,599	10,879	15,639
Florida	13,427	10,742	15,441
Georgia	12,738	10,190	14,649
Hawaii	15,688	12,550	18,041
Idaho	12,605	10,084	14,496
Illinois	15,152	12,122	17,425
Indiana	14,004	11,203	16,105
Iowa	14,242	11,394	16,378
Kansas	13,758	11,006	15,822
Kentucky	11,430	9,144	13,145
Louisiana	11,430	9,144	13,145
Maine	11,330	9,064	13,030
Maryland	15,441	12,353	17,757
Massachusetts	14,393	11,514	16,552
Michigan	15,302	12,242	17,597
Minnesota	14,911	11,929	17,148
Mississippi	10,830	8,664	12,455
Missouri	13,319	10,655	15,317
Montana	12,848	10,278	14,775
Nebraska	13,280	10,624	15,272

Nevada	14,803	11,842	17,023
New Hampshire	13,458	10,766	15,477
New Jersey	15,744	12,595	18,106
New Mexico	11,436	9,149	13,151
New York	14,264	11,411	16,404
North Carolina	12,163	9,730	13,987
North Dakota	14,746	11,797	16,958
Ohio	14,048	11,238	16,155
Oklahoma	12,095	9,676	13,909
Oregon	13,787	11,030	15,855
Pennsylvania	13,374	10,699	15,390
Rhode Island	13,208	10,566	15,189
South Carolina	11,799	9,439	13,569
South Dakota	12,701	10,161	14,606
Tennessee	11,591	9,273	13,330
Texas	12,957	10,366	14,901
Utah	12,843	10,274	14,769
Vermont	12,007	9,606	13,808
Virginia	13,784	11,027	15,852
Washington	14,035	11,228	16,140
West Virginia	11,443	9,154	13,159
Wisconsin	14,024	11,219	16,128
Wyoming	12,916	10,333	14,853

Medicaid

Medicaid is available under Title XIX of the Social Security Act for those on welfare or in need. Section 1901, Page 497, of the Act, specifies:

> For the purpose of enabling each State, as far as practicable under the conditions in such State, to furnish (1) medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, whose income and resources are insufficient to meet the cost of necessary medical services, and (2) rehabilitation and other services to help such families and individuals to attain or retain capability for indeindependence or self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title.

Social Security Administration

No overall poverty guidelines are published for administrative purposes by the Social Security Administration (SSA). However, the Orshansky Index has been used as a benchmark for identifying the population at risk and for estimating the future caseloads. Detailed poverty guidelines are contained in legislation, most significantly the supplemental Security Income for the Aged, Blind, and Disabled Program in the Social Security Act, Title XVI. It guarantees a minimum income to eligible persons.

Technically, there are no poverty lines or poverty definitions in this program. However, the interested public usually compares the guaranteed minimum income level of the program to the Orshansky poverty line for the eligible population, particularly for the elderly.

Benefits for individuals without eligible spouses are $1,752 per year (with certain stipulated exceptions), reduced by the amount of unexcluded income. For those with an eligible spouse, benefits are $2,628 per year (with certain exceptions), reduced by the amount of unexcluded income. An individual's eligibility for benefits under this title, as well as the amount of such benefits, is generally determined each quarter of a calendar year.

The income of couples where only one person is eligible may not exceed $2,250 per year; the income of single eligibles may not exceed $1,500. (In both cases there may be exceptions and certain special stipulations.) They also may not have more than $1,752 in resources (with certain exclusions allowed). Those eligible, with an eligible spouse, may not have an income of more then $2,628 (not counting exceptions and certain special stipulations a year) and may not have resources of more than $2,250 (again, with certain exclusions allowed.)

Persons deemed to meet the resources test are those who have received aid or assistance for December 1973 under a plan of a state, approved under Titles I, X, XIV; or those who, since December 31, 1973, have continuously resided in the state under the plan whereby they received aid or assistance for December 1973; or, those who, since December 31, 1973, have continuously been (except for periods not in excess of six consecutive months) eligible with respect to supplemental security income benefits.

Persons deemed to meet the income test are those who received aid or assistance for December 1973 under a plan of a state, approved under Titles X or XVI; or one blind under a plan of a state, approved under Titles X or XVI; or one blind under the definition of that term in the plan; or those who have continuously resided in the state under the plan whereby they received aid or assistance for December 1973, and have been since December 31, 1973, continuously (except for periods not in excess of six consecutive months) eligible for supplemental security income benefits. For these individuals, there will be disregarded an amount equal to the greater either of the maximum amount of any earned or unearned income which could be disregarded under the state plan (as in effect for October 1972), or of the amount which would be required to be disregarded under the stipulated section of this title.

Income means both earned income and unearned income. Earned income is wages and net earnings from self-employment. Unearned income is all other income, including support and maintenance furnished in cash or kind; payments received as an annuity, pension, retirement or disability benefit; prizes and awards; the proceeds of any life insurance policy; gifts; support and alimony payments; inheritances; rents; and dividends, interest, and royalties.

For those blind or disabled individuals under age 65 receiving benefits from this title, referral will be made to appropriate state agencies administering the state plan for vocational rehabilitiation services approved under the Vocational Rehabilitation Act. If such individuals do not take advantage of the referral, without good reason, they will not be eligible for assistance.

There are cost-of-living adjustments in benefits, using the same methodology used for Social Security benefits.

Office of Human Development

The following poverty-related programs are authorized by the Community Services Act of 1974 and are administered by the Office of Human Development.

Head Start

Head Start provides a creative environment for disadvantaged children in their early formative years, before they enter kindergarten or first grade. Follow Through, administered by the Office of Education, continues special attention to these children, after they have gone through the Head Start Program and have grown old enough to enter formal schooling.

Pertinent administrative and legislative guidelines pertaining to the Head Start Program are presented in some detail, next.

"Sec. 8(a), Title V of the Economic Opportunity Act of 1964, as amended, December 19, 1974, by the Community Services Act of 1974."

"Title V - Head Start and Follow Through" 1/

Statement of Purpose

Sec. 502. In recognition of the role which Project Head Start has played in the effective delivery of comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families, the Act extends the authority for appropriation of funds for that program.

Part A - Head Start Programs: "Financial Assistance for Head Start Programs"

Sec. 511. The Secretary may, upon application by an agency which is eligible for designation as a Head Start agency pursuant to Section 514, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Head Start program focused primarily upon children from low-income families who have not reached the age of compulsory

school attendance which (1) will provide such comprehensive health, nutritional, educational, social, and other services as will aid the children to attain their full potential, and (2) will provide for the direct participation of the parents of such children in the development, conduct, and overall program direction at the local level.
...(b) Financial assistance extended under this part for a Head Start program shall not exceed 80 percent (except under special circumstances).

Participation in Head Start Programs

Sec. 518. (a) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this part. Such criteria may provide (1) that children from *low-income* families shall be eligible for participation in programs assisted under this part if their *families are below the poverty line*, or if their families are eligible or in the absence of child care, would potentially be *eligible for public assistance*;...

Poverty Line

Sec. 525. (a) The Secretary shall revise annually (or at any shorter interval he deems feasible and desirable) a poverty line which, except as provided in section 711, shall be used as a criterion of eligiblility for participation in Head Start programs. (b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made. (c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary Consumer Price Index data becomes available.

Part B - Follow Through Programs

Financial Assistance for Follow Through Programs

Sec. 551. (a)(1) The Secretary is authorized to provide financial assistance in the form of grants to local educational agencies ... and any other public or appropriate nonprofit private agencies, organizations, and institutions for the purpose of carrying out Follow Through programs focused primarily on children from *low-income* families in kindergarten and primary grades, including such children enrolled in private nonprofit elementary schools, who were previously enrolled in Head Start or similar programs. (Emphasis added)

Native American Programs

The Native American Programs (Title VIII of the Community Services Act is also known as Native American Programs Act of 1974) have as their purpose the promotion of the goals of economic and social self-sufficiency for American Indians, Hawaiian natives, and Alaskan natives. The Secretary of Health, Education, and Welfare is authorized to provide financial assistance to public and nonprofit private agencies for projects pertaining to the purposes of the Act, with assistance of up to 80 percent of the approved costs of the project (and more, upon special approval). The Secretary also may provide technical assistance and short-term in-service training in connection with assisted projects. In addition, the Secretary may provide financial assistance for research, demonstration, or pilot projects designed to further the purposes of this Act.

Education Division

Introduction

The Education Division, which includes the Office of the Assistant Secretary for Education, the Office of Education, the National Center for Education Statistics, and the National Institute of Education, has not issued any one definition of poverty. However, the legislation for a substantial number of programs either establishes formulas for the distribution of funds or establishes eligibility for services, based on financial need. Consequently, administrative guidelines reflect great diversity, based on legislative diversity. For instance, the Follow Through Program, authorized by the Community Services Act of 1974, stipulates use of OMB income poverty measure guidelines and an annual revision, calculated by multiplying the official OMB poverty line by the percentage change in the Consumer Price Index for the annual or other period immediately preceding the revision. Other major pieces of legislation which use poverty terminology include the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the Educational Amendments of 1974; the Higher Education Act of 1965 (HEA); and the Vocational Education Act. There is also other legislation, which is referred to later. Consequently, a wide range of poverty terminology is used in connection with education programs, including use of such terms as: "is in need," "financial need," "disadvantaged students," "deprived economic background," "low-income backgrounds," "major concentration of low-income persons," "persons having family income at or below the Federal Poverty Line," "experience in serving low-income students," "number of low-income families in area to be served," "economically disadvantaged children," "families are below poverty line," "eligible for public assistance," "students who demonstrate the greatest financial need," "great financial need," "50 percent of students enrolled 1/2 time have families whose gross annual income does not exceed $7,500," and "exceptional financial need."

Because of this multiplicity of poverty terminology existing in the Education Division, this section will be organized in the following fashion: first, the major poverty-related programs, with references to the Acts mandating them and legislative guidelines associated with them (some of which are effective at the time of this writing (late summer of 1975) and some of which are, as yet, only proposed), will be presented. Second, we will survey representative sampling of administrative usages. Thirdly, we will take a close look at the Education Amendments of 1974, with special treatment of the Title I formula. Finally, the Title I studies mandated by the Education Amendments of 1974 will be scrutinized more thoroughly. The Title I program and the mandated studies are especially relevant here, since this appendix has been prepared as a part of one of the mandated studies.

Major Poverty-Related Programs

A list of the major poverty-related programs within the Education Division follows. We have also included a capsule description of the significant legislation associated with these programs.

Program	Authorization	Eligibility
13.403 2/ Bilingual Education (Title VII)	Bilingual Education Act; PL 90-247, as amended by PL 91-230; 20 USC 880b Sec. 105 PL 93-380	Children of limited English-speaking ability. One formula criterion is related to the number of persons from low-income families.(poverty-Orshansky)
13.410 Dropout Prevention	ESEA, 1965, as amended, PL 89-10; Title VIII, Sec. 807; E&S Ed Admendments of 1967; PL 93-380	Children who do not complete education. One of the criteria for school selection is a high percentage of children from poor families (Orshansky)
13.418 Supplemental Educational Opportunity Grants	Educational Amendments of 1972 PL 92-318; 20 USC 1070 b Title IV	Students with exceptional financial needs defined as expected family contribution limited to 50% of cost of education
13.421 Educational Personnel Training (Grants-Career Opportunities)	Education Professions Development Act, Part D, Sec. 531; PL 90-35; 20 USC 1111-1119a	Employment of low-income community residents while training to become teachers. Employment is in Title I, Elementary and Secondary Education Act schools. Standards of poverty for selection of eligible schools are set by local school districts.
13.428 Educationally Deprived Children, Local Educational Agencies (Title I, ESEA - Part A)	ESEA, 1965; Title I, PL 89-10; as amended	One element of allocating to school districts is children in families where income is below poverty level (Orshansky)
13.433 Follow Through	Economic Opportunity Act of 1964, Title II (Urban and Rural Community Action Programs), as amended in 1967, 1969; PL 90-222; Title V of Head Start; Economic App., and Community Partnership Act of 1974, 42 USC 28	Children from low-income families defined by CSA official poverty line

Program	Authorization	Eligibility
13.463 College Work-Study	Higher Education Act of 1965; Title IV, Part C, PL 890329; 42 USC 2751-2756c; PL 92-378; Sec. 442(b)(3)	One criterion for state allotment is children under 18 in families whose income is less than $3000. Also, the student with great financial need (cost of education exceeds expected family contribution)
13.464 Library Services Grants for Public Libraries	Library Services and Construction Act, as amended, Sec. 101 to 303; PL 91-600; 20 USC 351-355 e-2	Disadvantaged in urban and rural areas (population in localities which have no library service or inadequate library service)
13.471 National Direct Student Loan	Higher Education Act of 1965, PL 89-329, Title IV, Part E; 20 USC 1087aa - 1087ff Sec. 461	Needy undergraduate and graduate students (if cost of education exceeds expected family contribution)
13.482 Special Services for Disadvantaged Students, Institutions of Higher Education	Higher Education Act Amendments of 1968; PL 90-575; 20 USC 1101; 92-318 Sec. 417(B)	Low-income (to assist low-income students who, by reason of deprived educational, cultural, or economic background, are in need of such services)
13.489 Teacher Corps Operations and Training	Educational Development Professions Development Act, Part B-1, Sec. 511-517A; PL 90-35; 20 USC 1101-1107a	Low-income families (for areas having concentrations of low-income families)
13.492 Upward Bound	Higher Education Act of 1965, Title IV A, PL 89-329; PL 90-575; 20 USC 1101; PL 92-318	Low-income families (based on Family Contribution Schedules)
Fellowships for Other Purposes	Part D, Title IX; HE Act or 1965 as amended	Disadvantaged Background (not yet defined)
13.494 Vocational Education-Consumer and Homemaking	Vocational Ed. Amendments of 1968, Title I, Part F, PL 90-576; 20 USC 1241 to 1391; et al.	Economically depressed areas (one-third of the Federal funds are allotted to "economically-depressed areas or areas with high rates of unemployment")
13.499 Vocational Education-Special Needs	Vocational Ed. Amendments of 1968, Title I, Part B, PL 90-576; 20 USC 1242-1391; 82 Stat 1064-1091 *et al*.	Socio-economic handicapped (persons with socio-economic handicaps, economically-disadvantaged youths, adult residents of slums and ghettos)
13.501 Vocational Education-Work Study	Vocational Ed. Amendments of 1968, Title I, Part H, PL 90-576; 20 USC 1241-1391; 82 Stat 1064-1091 and Ed. Amdt. of 1972 *et al*.	Economically disadvantaged full-time students (economically disadvantaged, "in need of earnings," "economic status represents a deterrent to their continued schooling")

Program	Authorization	Eligibility
13.502 Vocational Education-Innovation	Vocational Ed. Amendments of 1968, Title I, Part D, PL 90-576, 20 USC 1241 to 1391; 82 Stat 1064-1091. Sec. 143 (a) (2)	Socio-economic handicap (for youths)
13.505 Education Personnel Development - Urban/Rural School Development	Ed. Professions Development Act, Title V, Part D, Sec. 531-533, PL 90-35; 20 USC 1111-1119a.	Low-income families (supports new programs in schools characterized by concentrations of low-income populations)
13.511 Educationally Deprived Children Special Grants for Urban and Rural Schools	PL 91-230, Part C, as amended by PL 03-380, Sec. 131 and 141; 20 USC 241c	One element of formula is children in families whose income is less than $3,000. Children need not be poor to participate, but must live in school attendance areas with highest concentration of poor children as determined by the local district and must be educationally deprived (below grade level)
13.512 Educationally Deprived Children, Special Incentive Grants	PL 91-230, Part B, Sec. 126,127,128,141,20 USC 241c, as amended by PL 93-380	Local school districts which have the greatest need for assistance under Title I. one of the criteria is the number and percentage of children from low-income families (low-income is not defined as any particular dollar amount or poverty level (Orshansky)). Children eligible to participate are those who are educationally deprived (below grade level) and who live in school attendance areas having high concentrations of children from low-income families (low-income is defined by each local education agency)
13.523 School Health and Nutrition Services for Children from Low-Income Areas	Sec. 808(d) of PL 89-10 as amended; PL 93-380	Children must attend a Title I, Elementary and Secondary Education Act (ESEA) school; come from families with incomes not exceeding Poverty Line Index; State Title XIX (Medicaid) standards; Dept. of Welfare, Statewide Standards for financial assistance
13.539 Basic Educational Appr. Grant Program	Title IV, Part A, Subpart 1 of PL 89-329, as amended	Students with financial need (cost of education exceeds expected family contribution); (fifteen percent of the grants are for vocational education for the disadvantaged)

Representative Sampling of Administrative and Legislative Guidelines

Provided next is a representative sampling of administrative and legislative guidelines associated with the major poverty-related programs within the Education Division. Included are:

- Vocational Education - Grants Programs to States - Definition of Disadvantaged
- Basic Educational Opportunity Grant Program
- Supplemental Educational Opportunity Grants Program
- Direct Loans to Students and Title II Loans to Students
- Work-Study Programs
- Talent Search, Upward Bound, Special Services for Disadvantaged Students, and Educational Opportunity Centers

Vocational Education Act of 1963, as amended, July 24, 1974

Vocational Education - Basic Grants to States: authorization is, Title IV, Part A, subpart 1 of PL 89-329, as amended. 3/

Subpart A-General-103.3- Definitions

Disadvantaged persons means persons who have academic, socioeconomic, or other handicaps that prevent them from succeeding in vocational education or consumer and homemaking programs designed for persons without such handicaps, and who for that reason require specially designed educational programs or related services. The term includes persons whose need for such programs or services result from poverty, neglect, delinquency, or cultural or linguistic isolation from the community at large, but does not include physically or mentally handicapped persons (as defined in this section) unless such person also suffer from the handicaps described in this paragraph. (20 USC 1262(a)(4)(A)) (Emphasis added)

Title 45 - Public Welfare - Part 190 - Basic Educational Opportunity Grant Program. November 6, 1974, Title IV, A-1 of the Higher Education Act of 1965, as amended (20 USC 1070a) 4/

Basic Educational Opportunity Grant Program

Part 190 - Basic Educational Opportunity Grant Program

Sec. 190.1 Scope and Purpose

The purpose of the Basic Educational Opportunity Grant Program is to assist in making available the benefits of post-secondary education to eligible students by providing assistance in meeting the cost of such education.

Sec. 190.62 Calculation of Basic Educational Opportunity Grant Awards at Full-Funding

When funds are available to satisfy such payments, the Commissioner will pay to each eligible applicant for any academic year a Basic Educational Opportunity Grant in an amount equal to $1,400 minus his expected family contribution, except that no award will be made (a) which is in excess of 50 percent of the applicant's actual cost of attendance at the institution of higher education in which the applicant is enrolled, (b) which exceeds the difference between the expected family contribution of the applicant and his actual cost of attendance at the institution in which he is enrolled, or (c) which is less than $200. 2/

Title 45 - Public Welfare - Part 176 - Supplemental Educational Opportunity Grants Program — authorized by Eduction Amendments of 1972 (PL 29-318) 5/

Supplemental Educational Opportunity Grants Program

Part 176 - Supplemental Educational Opportunity Grants Program

Sec. 176.1 Purpose -

It is the purpose of this part to provide, through institutions of higher education, Grants (Supplemental Grants) to assist in making available the benefits of post-secondary education to qualified students, who, for lack of financial means of their own or of their families, would be unable to obtain such benefits without such a grant. (20 U.S.X. 1070b)

Sec. 176.8 Institutional Agreement

An institution of higher education which desires to participate in the Supplemental Grants Program shall enter into an agreement with the Commissioner. Such agreement shall: ...(b) Provide that, in determining whether a student meets the requirements of exceptional financial need, the institution will consider the source of such student's income and that of any individual or individuals upon whom the student relies primarily for support and will make an appropriate review of the assets of the student and of such individuals;

(c) Provide that the institution, in cooperation with other institutions of higher education, where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and encourage them to continue their education beyond secondary school ...(2) making, to the extent feasible, conditional commitments for student financial aid to qualified secondary school students, who, but for such grants, would be unable to obtain the benefits of higher education ....

Sec. 176.9 Student Eligibility

...(4) is of exceptional financial need as determined in accordance with paragraph (b) of this section; and

(5) would not, but for a Supplemental Grant, be financially able to pursue a course of study at such institution ...

(b)(1) For purposes of paragraph (a)(4) of this section a student shall be considered in exceptional financial need if his expected family contribution does not exceed 50 percent of his cost of education at the institution in which he is enrolled or accepted for enrollment.

Sec. 176.13 Need Analysis Systems

(a) The Commissioner has determined that the following need analysis systems or methods of calculation meet the requirements of Sec. 176.12 of this part if adjusted in accordance with paragraph (d) of this section; The method of calculating an expected family contribution used in the Basic Education Opportunity Grants Program (45 CFR Part 190) and the systems of need analysis published by the American College Testing Program and the College Scholarship Service. The Commissioner has also approved the Income Tax System for use in calculating the expected family contribution of dependent students whose parents are subject to the Federal income tax, if adjusted in accordance with paragraph (d) of this section and further adjusted to reflect the number of the parents' dependent children who are attending institutions of higher education.

(b) For purposes of this part, the expected family contribution calculated according to the Income Tax System shall be an amount equal to the amount of Federal income tax paid by the parents of a student, 5 percent of such parents' net assets in excess of $7,500, and any amount the student is reasonably able to contribute.

(c) The Commissioner will approve a need analysis system or a method of calculating an expected family contribution if it produces expected family contributions comparable to those that would be determined under one or more of the systems specified in paragraph (a) of this section. (20 USC 1070b-2) (Emphasis added)

Guaranteed Load Program - (HE Act of 1965, PL 89-329, Title IV, Part E; 20 USC 1087aa-1087ff Sec. 461) (needy undergraduate and graduate students; if cost of education exceeds expected family contribution)

The proposed Sec. 176.9 (c) was written to exempt all Guaranteed Loans except for those for which a needs test is required, from being considered as a student resource. This exemption would have the effect of permitting such loans to be used as substitutes for the expected family contributions....

National Direct Student Loans - (HE Act of 1965, PL 89-329, Title IV, Part E; 20 USC 1087aa-1087ff Sec. 461) (needy undergraduate and graduate students; if cost of education exceeds expected family contribution)

The basic statutory requirement in this respect is that, to count as a permissible form of "matching," the financial aid in question must be provided to the student by his institution. State scholarships, employment under the College Work-Study Program, National Direct Student Loans, and Basic Grants... are also to be counted as student financial aid provided by the institution... and were specifically enumerated both in the statute and in Sec. 176.16(b) of the proposed rule, which has become Sec. 176.16(c) of the regulation.

National Direct Student Loan Program 6/

A student loan program authorized by Title IV, Part E of the Higher Education Act of 1965.

The College Work-Study Program and the National Direct Student Loan Program fall under the Supplemental Grants Program. Institutional applications for funds will be revived in accordance with... the criterion of nature of the institution's demonstrated commitment to enroll students with exceptional financial need.

Direct Loans of Students and Title II Loans to Students - November 25, 1974

... 2. Section 137 of the Education Amendments of 1972 amended the Higher Education Act of 1965 by adding Title IV, Part E, "Direct Loans to Students in Institutions of Higher Education" which established the National Direct Student Loan Program. This program is deemed to be a continuation of the National Defense Student Loan Program authorized by Title II of the National Defense Education Act of 1958. The proposed rule covers terms and conditions of loans made both before and after the enactment of the Education Amendments of 1972. The major substantive changes resulting from the Education Amendments of 1972 which differentiate National Direct from National Defense Students Loans involve aggregate amounts which may be borrowed, repayment terms, and cancellation benefits. This program is intended to stipulate and assist in the establishment and maintenance of funds at participating institutions of post-secondary education for the making of low-interest loans to students who are in need of such loans to meet their costs of education at such institutions. The National Direct Student Loan Program is deemed to be a continuation of the National Defense Education Act of 1958.

Subpart A - General Provisions

Sec. 144.1 Scope and Purpose

Title IV, Part E of the Higher Education Act of 1965 authorizes the National Direct Student Loan Program for the purpose of stimulating and assisting in the establishment and maintenance of funds at participating institutions of higher education for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions.

Sec. 144.2 Definitions

...(d) "College Work-Study Program" is a Federally-supported program of part-time employment authorized by Title IV, Part C, of the Higher Education Act of 1965.

...(h) "Expected family contribution of a dependent student" means the sum of the amounts which reasonably may be expected from the student and his spouse to meet the student's cost of education as described in Sec. 144.11.

(20 USC 1088(c)(2))

...(m) "Fund" or "National Direct Student Loan Fund" means a Fund established pursuant to S144.8(a) of this part. (20 USC 1141(b); 20 USC (1088(a))

(aa) "Supplemental Educational Opportunity Grant Program" is a grant program for students with exceptional financial need authorized by Title IV-A-2 of the Higher Education Act of 1965 (20 USC 1070b)

Sec. 144.9 Student Eligibility

(a) A student is eligible for a loan under this part if such student: (2) is in need of the amount of the loan to pursue a course of study at an eligible institution;... (b) for purposes of subparagraph (2) of paragraph (a) of this section a student shall be considered in need if his cost of education at the institution at which he is enrolled or accepted for enrollment exceeds his expected family contribution. ...(d) Selection. Loans made under this part shall be made reasonably available to all eligible student applicants. In the event applications for loans exceed available funds, the order of selection shall be made on the basis of need. (20 USC 1088g) (20 USC 1087dd)

Sec. 144.13 Need Analysis Systems

(a) The Commissioner has determined that the following need analysis systems or methods of calculation meet the requirements of Sec. 144.12 of this part: the method of calculating an expected family contribution used in the Basic Education Opportunity Grants Program (45 CFR 190) and the systems of need analysis published by the American College Testing Program and the College Scholarship Service. The Commissioner has also approved the Income Tax System for use in calculating the expected family contribution of dependent students whose parents are subject to the Federal income tax, if adjusted to reflect the number of the parents' dependent children who are attending institutions of higher education.

(b) For purposes of this part, the expected family contribution calculated according to the Income Tax System shall be an amount equal to the amount of Federal income tax paid by the parents of a student, 5 percent of such parents' net assets in excess of $7,500, and any amount the student is reasonably able to contribute.

(c) The Commissioner will approve a need analysis system or a method of calculating an expected family contribution if it produces expected family contributions comparable to those that would be determined under one or more of the systems specified in paragraph (a) of this section. (20 USC 1087aa-ff) (Emphasis added)

College Work-Study Program 7/

A federally-supported program of part-time employment authorized by Title IV, Part C, of the Higher Education Act of 1965. (42 USC 2751-2756)

Work-Study Programs of the Higher Education Act of 1965 (Amended)
November 15, 1974

...2. The major substantive changes made in the proposed regulations are the broadening of program activities to include half-time students and the elimination of the preference in assigning jobs previously given to students from low-income families and its replacement by a preference for those students who demonstrate the greatest financial need after all public and private grant funds available to them have been considered. These changes were brought about by the Education Amendments of 1972.

The College Work-Study Program.... is intended to stimulate and promote the part-time employment of students, particularly those with great financial need, who are in need of the earnings from such employment in order to pursue courses of study at eligible institutions.

The major substantive changes from existing regulations which are included in the proposed rule were brought about by the Education Amendments of 1972. These changes include.... the elimination of the preference in assigning jobs previously given to students from low-income families and its replacement by a preference for those students who demonstrate the greatest financial need after all public and private grant funds available to them have been considered.

Sec. 175.1 Purpose and Objectives

(a) The purpose of the College Work-Study Program is to stimulate and promote the part-time employment of students particularly those with great financial need, who are in need of the earnings from such employment in order to pursue courses of study at eligible institutions. ...(1) Encourage eligible institutions to expand their efforts to enroll students with great financial need. (42 USC 1751-2756)

Sec. 175.2 Definitions

...(g) "Expected family contribution of a dependent student" means the sum of the amounts which reasonably may be expected from the student and his spouse to meet the student's cost of education as described in Sec. 175.11 and the amount which reasonably may be expected to be made available to him by his parents for such purpose.

(h) "Expected family contribution of an independent or self-supporting student" means the amount which reasonably may be expected from the student and his spouse to meet the student's cost of education, as described in Sec. 175.11

Sec. 175.3 Allotment of Federal Funds to States

...(iii) One third will be allotted by the Commissioner among the States, so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with annual income of less than $3,000 in such State bears to the number of related children under 18 years of age living in families with annual incomes of less than $3,000 in all the States. (42 USC 2752)

Sec. 175.6 Funding Criteria

Institutional applications for funds under this part will be reviewed with the following criteria: ... (7) The nature of the institution's demonstrated commitment to enroll students with exceptional financial need; (42 USC 2756)

Sec. 175.8 Institutional Agreement

(a) An institution of higher education which desires to participate in the College Work-Study Program shall enter into an agreement with the Commissioner. Such agreement shall: ...(3) provide that in the selection of students for employment under the College Work-Study Program preference shall be given to students with the greatest financial need, taking into account grant assistance provided such student from any public or private sources; (4) provide that employment under the College Work-Study Program shall be furnished only to a student who (i) is in need of the earnings from such employment in order to pursue a course of study at such institution (takinginto consideration the actual cost of attendance at such institution). (7) include provisions designed to make employment under the College Work-Study Program or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof... (20 USC 2754)

Sec. 175.22 Limitations on the Federal Share of Student Compensation

...(e) The Commissioner may approve a Federal share of up to 100 percent of the compensation paid to students employed under this part for an institution under whose agreement with the Commissioner such program is being conducted if such institution (1) has been designated as a "developing institution of higher education" in accordance with the provisions of Part 169 of this Title (45 CFR 169), or (2) demonstrates that at least 50 percent of its students who are enrolled as at least half-time students whose gross annual does not exceed $7,500 per year. (42 USC 2754) (Emphasis added)

Talent Search, Upward Bound, Special Services for Disadvantaged Students, and Educational Opportunity Centers Programs (Title IV, Part H, Subpart 4, of the Higher Education Act of 1965, amended) 8/

Proposed Criteria for Funding for FY 1975 (45 CFR, Parts 154 and 155)

Talent Search projects are designed to: identify qualified youths of financial or cultural need with an exceptional potential for post-secondary educational training and encourage them to complete secondary school and undertake post-secondary educational training, publicize existing forms of student financial aid, including aid furnished under Title IV, and encourage secondary school or college dropouts of demonstrated aptitude to re-enter educational programs, including post-secondary school programs.

Appendix A - Criteria for Talent Search

The Commissioner will select applicants to be funded under the Talent Search Program on the basis of the criteria set forth in 45 CFR 100a.26(b), as well as the following criteria: ...(iii) persons having family income at or below the Federal poverty level; and (iv) students from low-income families having low aspiration levels and special needs resulting from cultural isolation, language disabilities, and educational deficiencies.

...(2) The proposal presents a clearly new or experimental technique or design for the recruitment of disadvantaged students for post-secondary education, and clearly demonstrates a degree of replicability, and provides for an evaluation of the results in such form as to be readily utilized by other educational programs concerned with the recruitment of disadvantaged students for post-secondary education;

...(4) The proposed project would be able to provide a variety of educational opportunities and options for postsecondary educational careers for the disadvantaged. (20 USC 1070d-1)

Special Services for Disadvantaged Students projects provide remedial and other special services for students with academic potential who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant and who, by reason of deprived ... economic background,... are in need of such services to assist them to initiate, continue, or resume programs of post-secondary education.

Appendix B - Criteria for Special Services for Disadvantaged Students

The Commissioner will select applicants to be funded under the Special Services for Disadvantaged Students Program on the basis of the criteria set forth in 45 CFR 100a.26(b), as well as the following criteria:

...(b) New awards. A request for funds for the initiation of a new project will be evaluated on the following criteria: (1) Evidence of the enrollment at the institution of physically disabled and/or low-income students who by reason of deprived educational, cultural, or economic background, ... are in need of supportive special services to assist them to initiate, continue, or resume their post-secondary education; (2) Evidence of the availability and distribution of financial assistance to meet the need of low-income students enrolled in the applicant institution: ... (c) National Demonstration Awards. The Commissioner will select a limited number of applications to fund as Special Services for Disadvantaged Students National Demonstration awards on the basis of the criteria specified in part (b) above and those additional criteria:

...(2) The proposal presents a clearly new or experimental technique or design for the provision of special services for students from deprived ... economic backgrounds ...

Upward Bound projects are designed to generate skills and motivation necessary for success in education beyond high school and are projects in which enrollees from low-income backgrounds and with inadequate secondary school preparation participate on a substantially full-time basis during all or part of the project period.

Appendix C - Criteria for Upward Bound

Sec. 115.7 is revised to read as follows:

Sec. 115.7 Criteria for evaluating proposals. The Commissioner will select applicants to be funded under the Upward Bound Program on the basis of the criteria set forth; in 45 CFR 100a.26(b), as well as the following criteria: (a) New awards. A request for funds for the initiation of a new project will be evaluated on the following criteria:

(1) Knowledge of the specific needs of an identifiable student population to be served in terms of income... and other related problems, and conditions and/or attitudes which are barriers to educational advancement;

...(3) Experience in serving low-income students....

Educational Opportunity Centers will serve areas with major concentrations of low-income persons by providing academic assistance for persons in such areas desiring to pursue their studies and to apply for admission to institutions of higher education.

Appendix D - Criteria for Educational Opportunity Centers

Sec. 154.6 Selection Criteria

The Commissioner will select applicants to be funded under the Educational Opportunity Center Program on the basis of the criteria set forth in 45 CFR 100a.26(b), as well as the following criteria: ... (iii) The number of *low-income* families in the area to be served; ... (3) the proposed staff of the Center and the extent to which the staff has experience in dealing with *low-income* ... students; ... (6) The appropriateness of the Center's relationship to the Talent Search, Upward Bound, and Special Services for Disadvantaged Students projects ... (b) the Commissioner will award grants and contracts to insure that major concentrations of *low-income* persons in both urban and rural areas will be represented among areas to be served by Centers. (Emphasis added)

Education Amendments of 1974 - Title I Formula

The Education Amendments of 1974 (PL 93-380) contain a requirement for "a thorough study of the manner in which the relative measure of poverty for use in the financial assistance program authorized by Title I of the Elementary and Secondary Education Act of 1965 may be more accurately and currently developed." Before enactment of the "Education Amendments of 1974," Title I funds for low-income children were distributed on the basis of an absolute measure of need, i.e., a family income below $3,000 (as determined by the decennial Census). The distribution formula for Title I funds was revised by the Education Amendments of 1974: a new measure of low income, the Orshansky measure of poverty, was specified. In addition, several studies and special surveys were required, so that future improvements in the Title I allocation formula could be made.

Title I of the Elementary and Secondary Education Act (ESEA) provides a formula for determining the amount of a grant for which a local educational agency (LEA) is eligible (i.e., its "entitlement"). The Commissioner determines: (1) the number of children in the school district from families below the poverty level; (2) two-thirds of the number of district children from Aid to Families with Dependent Children (AFDC) families with incomes above the poverty level; (3) the number of district children in institutions for neglected and delinquent children; and (4) the number of children being supported in foster homes. This number is then multiplied by 40 percent of the average per pupil expenditure in the state (except where such average is less than 80 percent or more than 120 percent of the national average).

If the Commissioner does not have satisfactory nationwide data to compute the formula on a local education agency basis, he may compute it on a county basis and inform each state agency of the county grants. It then becomes the role of the state agency to "suballocate" the county entitlement. Since Census data are not available on a school district basis, "entitlements" are traditionally on a county rather than a school district basis. However, beginning in 1972 the Census Bureau has made estimates of the number of children in poor families for each school district, at the request of the Department of Health, Education, and Welfare.

Where appropriations are insufficient to pay each county its full entitlement, the Commissioner must prorate all grants downward in accordance with available funds. For example, if total entitlements were $4 billion, and the appropriation was $2 billion, a county with a $1 million entitlement would receive a prorated amount of $500,000.

PL 93-380 stipulates that each LEA receive at least 85 percent of its preceding year's allocation. This is called its "floor." Counties which fall below the floor under the rateable reduction are brought up to the floor level by reducing other counties throughout the U.S. The state, in suballocating county amounts, must assure each LEA its 85 percent floor.

School attendance areas are designated project areas if the estimated percentage or absolute number of children from low-income families residing in the attendance area is as high as the percentage (or average number) of such children residing in the entire school district. It is not necessary for the LEA to use a particular income level in making this determination.

The children to be served must be educationally deprived. The term "educationally deprived children" is defined as:

> " ... those children who have need for special educational assistance in order that their level of educational attainment may be raised to that appropriate for children of their age. The term includes children who are handicapped or whose needs for such special educational assistance result from poverty, neglect, delinquency, or cultural or linguistic isolation from the community at large."

The specific criteria of the distribution formula are:

-- Number of 5 to 17 year olds in families with an income below "poverty level" (Orshansky index), 1970 census data.

-- Two-thirds of number of 5 to 17 year olds in families with AFDC incomes above the "poverty level" for a nonfarm family of four (as updated by increases in the Consumer Price Index), with data collected annually in January.

— Number of 5 to 17 year olds living in institutions for neglected or delinquent children or being supported in foster homes on public funds, with data collected annually.

Multiplied By

— 40 percent of the state per pupil expenditure (not less than 80 percent nor more than 120 percent of the national average).

— 1 percent of the amount appropriated for payments to states for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territories of the Pacific Islands.

Floors and Ceiling

Local Educational Agencies: - Not less than 85 percent of their allocation for the preceding year

Outlying areas: - Not less than 1973 allocation

Puerto Rico: - Not to exceed 50 percent of the maximum grant after rateable reduction in fiscal year 1975

- Not to exceed 75 percent of the maximum grant after rateable reduction in fiscal year 1976 and thereafter

Studies Mandated by the Education Amendments of 1974

Five Title I studies which were mandated in the Education Amendments of 1974:

1. "Study of Purposes and Effectiveness of Compensatory Education Programs" (Section 821, pp. 116-117). The Act instructs the National Institute of Education (NIE) to design and conduct a a study which will:

    (a) Examine the fundamental purposes and effectiveness of compensatory education programs;

    (b) Analyze ways of identifying children in need of compensatory education;

    (c) Consider alternative ways of meeting these needs;

    (d) Analyze alternative procedures for distributing compensatory education program funds.

NIE is directly responsible to Congress for the design and execution of the study. Plans for the research must be submitted to Congress within 120 days after the 1974 Amendments become law; interim and final reports are to be transmitted on dates established by Congress, prior to any review of the findings outside the Institute.

The House Committee on Education and Labor, where the study idea originated, intends to use the results of the study in its deliberations about re-authorization of the Title I Program in 1976. But the study's focus is much broader than the existing Title I program. The National Institute of Education is required to examine compensatory education, in general, and to inform Congress as broadly as possible about the range of possible objectives, funding and administrative techniques, and educational programs.

2. "Survey and Study for Updating Number of Children Counted" (Sec. 822, pp. 117-118). The Act requires:

   (a) A survey to estimate Title I counts by state, for which the Secretary of Commerce "in consultation with the Secretary of Health, Education, and Welfare" is responsible;

   (b) A study of the feasibility of methods for updating Title I counts in school districts for within-state allocation in years subsequent to a Census or special count, for which the Secretary of Health, Education, and Welfare and the Secretary of Commerce are responsible; and

   (c) A report to Congress from both Secretaries jointly incorporating the results of the survey, an analysis of its accuracy and utility, an analysis of alternative updating methods, and recommendations.

3. "Study of the Measure of Poverty Used Under Title I of the Elementary and Secondary Education Act of 1965" (Sec. 823, pp. 118-119). The Act requires the study of the poverty measure to consider the twin problems of accuracy and currency, or specifically:

   (a) The accuracy of the measure for its stipulated use in Title I allocation; and

   (b) The currency of the measure in terms of data more recent than that available in the decennial Census.

The "accuracy" requirement is intended to address questions regarding the adequacy of the Orshansky Index as a measure of poverty for purposes of distributing Title I funds. The "currency" requirement stems from the fact that 1975 allocations of Title I funds will be based partly on 1970 data (assuming the 1980 Census data will not become available until 1983). To the extent that the distribution of eligible children shifts during this period, funds may be misallocated. Thus, there may be a need for more "current" data.

The Act also requires that recommendations emerging from (a) and (b) be made with respect to the availability and usefulness of data for the improvement of the Title I poverty measure.

A further stipulation is that the statistical measure of poverty take into account differences in region; climate; metropolitan-urban-suburban-rural location; family size (and composition); and head of household.

Basically, Title I funds were at first distributed on the basis of the number of children from families whose Aid to Families with Dependent Children (AFDC) payments were in excess of $2,000. However, since AFDC eligibility is state-determined, this method discriminated against those states which were more frugal in distributing AFDC funds. The revised distribution formula presently in use attempts to rectify this. Title I funds are distributed to counties primarily on the basis of two factors: (1) the number of children from families below the poverty level (as determined by the Census Bureau in 1970); and (2) two-thirds of the children from families which received 1974 AFDC payments and were above the poverty level of $4,250.

The problem of poverty measurement for the Title I allocation arises in part from the fact that while Census and AFDC data are reported on a county basis, the allocative unit is smaller: the school district. School districts and counties are coterminous in only a few states. Title I funds have to be allocated on the basis of Census and AFDC data, and there exists some divergence among counties across the nation with regard to subcounty allocative criteria.

4. An evaluation of the Title I programs, as required by Sec. 101(a)(8) "Sec. 151," pp. 16-17. The Act directs the Commissioner to conduct a number of specific activities with regard to Title I of Elementary and Secondary Education Act (ESEA). These are to:

   (a) Conduct independent evaluations describing and measuring program and project impact.

   (b) Develop and publish standards for program or project effectiveness.

   (c) Provide, where appropriate, for evaluations sponsored jointly by the Federal and state levels.

   (d) Provide evaluation models for use by SEA's and LEA's, which include uniform procedures and criteria and which yield comparable data on a statewide and nationwide basis.

   (e) Provide technical assistance to SEA's to enable them to assist LEA's in implementing the evaluation models.

   (f) Develop a system for gathering and disseminating effective practices, exemplary practices, and evaluation results to SEA's, the education profession, and the general public.

5. A survey of participation in Title I programs, as required by Sec. 506(a)(3)(c), "Sec. 417(a)(2)," p. 81. The Act calls for a survey of the economically disadvantaged and the educationally disadvantaged children (as counted under Section 103(a) of Title I) who do and do not receive Title I benefits.

Introduction

There are no overall poverty-related guidelines published by the Public Health Services, but some of its major components do publish guidelines. These are treated, one by one, next, under the headings:

-- Alcohol, Drug Abuse, and Mental Health Administration

-- Health Services Administration

-- Health Resources Administration

None of the other components of the Public Health Services has significant administrative or legislative poverty guidelines. However, the following have poverty-related programs and will be discussed together:

-- National Institute of Health

-- Centers for Disease Control

It is useful to make some general comments about the characteristics of health agency poverty terminology. There are two poverty-related features peculiar to health agencies. One is usage of "poverty areas." This is particularly true of the Alcohol, Drug Abuse, and Mental Health Administration, but also of the Health Resources Administration. The other characteristic feature is the use of poverty guidelines based on multiples of the Office of Management and Budget (OMB) - Community Services Administration (CSA) guidelines. This applies particularly to the Health Services Administration.

Alcohol, Drug Abuse, and Mental Health Administration

The Alcohol, Drug Abuse, and Mental Health Administration has as its main poverty-related legislative guidelines the amendments to the Community Mental Health Centers Act made by the Community Mental Health Centers Amendments of 1975 (Title III, PL 94-63). The administrative guidelines as to how the legislation should actually be put into effect are interesting in the context of poverty terminology. These are discussed in Federal Regulation: Title 42 CFR, Part 54, Sub-part B 54 101-54.103 Public Health - "Designation of Urban and Rural Poverty Areas":

> Sec. 54.101 - State Ranking
>
> (a) Using the latest available published data from the Department of Commerce, Bureau of the Census, each State shall determine what percentage of families living in each catchment area within its territorial borders have incomes below the poverty level described in subparagraph (2) of this paragraph.

(1) The term "catchment area" means a geographic area designated by a State which is served or will be served by an existing or proposed community mental health center.

(2) In determining the poverty level, the following standards shall be used:

(i) Revised OEO income Poverty Guidelines (Published in OEO Instructions, No. 6004-1.b., dated Dec. 1, 1970) for the 50 States and the District of Columbia. Those Guidelines are as follows:

All States (Including the District of Columbia)
Except Alaska and Hawaii

Family size	Nonfarm family	Farm family
1	$1,900	$1,600
2	2,500	2,000
3	3,100	2,500
4	3,800	3,200
5	4,400	3,700

For families with more than five members, add $600 for each additional member in a nonfarm family and $500 for each additional member in a farm family.

(b) Each State shall rank its catchment areas according to the percentage of families whose incomes fall below the poverty level in each area. The catchment area in each State with the highest percentage of families whose incomes fall below the poverty level shall be designated as number 1, and areas with lower percentages of such families shall be arrayed in ascending numerical order.

Sec. 54.102 - Designation of poverty areas.

The Secretary will designate as poverty areas a percentage of catchment areas in each State to be determined as follows:

(a) The percentage of poverty catchment areas for each State shall be determined by subtracting 25 percent from each State's Federal percentage.

(b) The State's Federal percentage is the percentage established pursuant to Sec. 401(i) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 USC 2661 et seq.) (hereinafter referred to as the "Act"), and promulgated in 33 F.R. 18593, for fiscal years 1971 and 1972.

Example: If the Federal percentage for State X is 50 percent, 25 percent would be subtracted, leaving a balance of 25 percent. This means that the highest ranking 25 percent of the catchment areas listed by State pursuant to Sec. 54.101(b) would be designated as poverty areas.

Sec. 54.103 - Additional poverty area designations.

(a) An applicant for a grant under any program authorized by Title II of the Act who wishes to serve a catchment area which was not designated as an urban or rural poverty area in accordance with the above procedures may apply to the Secretary to have such area designated as a poverty area under the provisions of Sec. 410 of the Act.

(b) The Secretary shall add the area in question to the list of poverty areas with respect to the particular project if the applicant demonstrates to the Secretary's satisfaction that:

(1) at least one-half the population of the catchment area lives in one or more impoverished subareas;

(2) the percentage of families with incomes below the poverty level (as determined in accordance with Sec. 154.101(a)) who lives in these subareas is at least one and one-half times greater than the percentage of families with incomes below the poverty level living in the lowest ranked area for that State which has been designated as poverty area pursuant to Sec. 54.102; and

(3) The project, facility, or program of services for which the applicant seeks support does, or will, focus on the needs of persons living in such subareas of poverty.

One section of Title 42 CFR, Part 54 was revised in the manner set forth below effective July 30, 1976.

Sec. 54.103 - Designation of urban or rural poverty areas.

(a) Purpose. This section establishes the procedure for designating catchment areas in each State as urban or rural poverty areas (except for purposes of grants under section 203(e) of the Act).

(b) Definitions. For purposes of this section —

(1) The "poverty level" with respect to the population in the 50 States, the District of Columbia, and those catchment areas in Puerto Rico which are partly or wholly within Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget, will be determined in accordance with Appendix A to this part.

(2) The term "subarea" means a subdivision of a catchment area for which data are available that are satisfactory to the Secretary for purposes of determining the percent of its population having income at or below the poverty level.

(c) Eligibility of Areas. All catchment areas in American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands, and catchment areas in Puerto Rico which are wholly outside of Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget, are eligible for designation as urban or rural poverty areas. For any other catchment area to be eligible for designation as an urban or rural poverty area,

(1) the area must contain at least one subarea with not less than 15 percent of its population having incomes below the poverty level, and

(2) the population of all such subareas in the catchment area (meeting the test in clause (1)), must be equal to not less than 35 percent of the population of the catchment area.

(d) Designation of Areas. At the request of an applicant for a grant under the Act, the Secretary may designate a catchment area which is eligible under paragraph (c) of this section as an urban or rural poverty area for the period of the grant if the applicant demonstrates to the satisfaction of the Secretary that the project, program, or activity (or the facility involved) for which the grant is sought does or will, within the period of the grant or such shorter period as the Secretary may prescribe, substantially serve the needs for mental health services of the population of the subarea or subareas by reason of whom the catchment area was an eligible area under paragraph (c) of this section.

The Alcohol, Drug Abuse, and Mental Health Administration also directs poverty-related programs for low-income persons and programs targeted to needy persons. These are summarized below.

Adamha Programs for Low-Income Persons

Programs	Description	Authorization	Definitions
13.235 Drug Abuse Community Service Programs	Provides partial support of personnel for community based after-care services for drug addicts and abusers.	Alcoholic and Narcotic Addict Rehabilitation Amendments of 1968 Part B, Title II; PL 90-574; 42 USC 268 et seq. as amended; Community Mental Health Centers amendments of 1970, Title III, PL 91-211; Comprehensive Drug Abuse prevention and Control Act of 1970, Title I, PL 91-513; Drug Abuse Office and Treatment Act of 1972, Title IV, PL 92-255	Matching grants. Higher percentage is paid if the area has been designated a poverty area by the Secretary of HEW.

Programs	Description	Authorization	Definitions
13.240 Community Mental Health Centers	Provides funds to build Community Mental Health Centers and partial compensation costs for personnel.	Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963; Part A, Title II, PL 88-164 as amended by PL 89-105, 90-31, 90-574, 91-513, and 91-515; 42 USC 2681-2688.	Matching grants. Federal share is up to 90 percent in areas designated poverty areas by the Secretary of HEW.
13.259 Mental Health-Children's Services	Provides funds for training activities and for increasing resources for children's mental health services.	Mental Retardation Facilities and Community Mental-Health Centers Construction Act of 1963; Title II, Part F. PL 88-164 as amended by PL 91-211, 42 USC 2681.	Matching grants. Higher Federal share is paid if area has been designated a poverty area by the Secretary of HEW.
13.251 Alcohol Community Service Programs	Provides funds for prevention and control of alcoholism through a community program of comprehensive services.	Alcoholic and Narcotic Addict Rehabilitation Amendment of 1968, Title III, Part A, PL 90-574, 42-USC 2681 et seq.; Community Mental Health Centers Amendments of 1970, Title III, PL 91-211	Formula grants. If the geographic area served has been designated by the Secretary of HEW as a poverty area, a higher percentage may be paid.

Programs Targeted to Needy Populations

Programs	Description	Authorization	Definitions
13.269 Drug Abuse Formula Grants	Provides funds to states to assist in development of drug abuse prevention functions.	Drug Abuse and Treatment Act of 1972, Title IV, Sec. 409, PL 92-255	Formula grants. Allotment determination includes one-third weight on total population weight by financial need as determined by relative per capita income for each state for three most recent consecutive years for which data are available.
13.244 Mental Health Training Grants	Provide funds to increase number of people working in mental health professions.	PHS Act, Secs. 301, 303, 433; PL 78-410; 42 USC 241, 242a, and 289c	Purpose of program. High priority to projects in "crime and delinquency, metropolitan problems and minority groups."
13.252 Alcohol Demonstration Programs	Provides funds to prevent and control alcoholism in specific population groups, e.g., Indians, poverty.	Alcoholic and Narcotic Addict Rehabilitation Amendments of 1968, Part A, Title III, PL 90-574, 42 USC 2681 et seq. Community Mental Health Centers Amendments of 1970, Title III, PL 91-211; Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, PL 91-616	No poverty terminology defined

Health Services Administration

Relevant administrative guidelines for the Health Services Administration are:

> Sec. 51a.207 Availability of Services (from "Special Project Grants from Family Planning Services")
>
> Project services must be made available:...
>
> (f) Only to persons who because of low-income or for other reasons beyond their control could not otherwise obtain services comparable to those provided under the project. However, if specific income standards are used, they must be applied flexibly, with due regard for total family needs in the particular case ....
>
> Sec. 51(a)209 Payment for Services (from "Special Project Grants for Family Planning Services")
>
> ...(c) No charge shall be made to any person or family for services under the project, except to the extent that payment will be made by a third party (including a government agency) which is authorized or is under legal obligation to pay such charges...
>
> Sec. 51a.211 Project Expenditures (from "Special Project Grants for Family Planning Services")
>
> (a) Project funds (Federal and matching) are available for the direct costs of operating and maintaining the project approved in the plan and budget ...
>
> Sec. 59.2 Definitions (from "Special Project Grants for Family Planning Services")
>
> ...(e) "Low-income family" means a social unit composed of one or more individuals living together as a household and whose total annual income is not in excess of:
>
> (i) $2,500 in the case of one such individual
> (ii) $3,400 in the case of two such individuals
> (iii) $4,200 in the case of three such individuals
> (iv) $5,000 in the case of four such individuals
> (v) $5,800 in the case of five such individuals
> (vi) $6,400 in the case of six such individuals
> (vii) $7,000 in the case of seven or more such individuals

Sec. 51a.301 Applicability (from "Special Project Grants for Dental Health of Children")

The regulations in this subpart are applicable to the award of grants under Sec. 510 of the Social Security Act (42 USC 710) to promote the dental health of children and youth of school or preschool age, particularly in areas with concentrations of *low-income families*.

Sec. 51a.305 Project Requirements (from "Special Project Grants for Dental Health of Children")

(a)(2) ... services will be made available only to children who would not otherwise receive such services because they are from *low-income families* or for other reasons beyond their control. In determining such eligibility, the grantee shall consider the family's size and income, the medical diagnosis, the costs of required care and the family's other financial responsibilities. (Emphasis added)

The Health Services Administration's programs targeted to low-income and needy persons are summarized below:

Programs for Low-Income Persons

Programs	Description	Authorization	Definitions
13.211 Crippled Children's Services	Provides financial support to states to extend and improve (especially in rural areas and in areas suffering from severe economic distress) medical and related services to crippled children and children suffering from conditions that lead to crippling.	Social Security Act, as amended, Title V, Sec. 504; PL 90-248; 42 USC 704	Formula grant; apportioned to states according to financial needs
13.212 Dental Health of Children	Increases availability of dental services to children and youth of school and pre-school age in areas with concentrations of low-income families.	Social Security Act, as amended, Title V. Sec. 510, PL 90-248; 42 USC 710	Eligibility. Children from low-income families

Programs	Description	Authorization	Definitions
13.217 Family Planning Projects	Provides services to enable individuals freely to determine number and spacing of their children.	Social Security Act, as amended, Title V, Sec. 508(a)(3); PL 90-248; 42 USC 708; PHS Act, as amended, Title X, Sec. 1001, PL 91-572; 42 USC 300	Eligibility. Priority given to persons from low-income families.
13.218 Health Care of Children and Youth (Children and Youth Projects)	Provides comprehensive health care and services for children in low-income areas.	Social Security Act, as amended, Title V, Sec. 509; PL 90-248; 42 USC 709	Eligibility. To children and youths from low-income families.
13.230 Intensive Infant Care Projects	Provides health care to infants of low-income families.	Social Security Act, as amended, Title V, Sec. 508(a)(2); PL 90-248; 42 USC 708	Eligibility. Infants from low-income families.
13.232 Maternal and Child Health Services	Provides financial support to states to extend and improve services for the health of mothers and children especially in areas of severe economic distress.	Social Security Act, as amended, Title V, Sec. 503; PL 90-248; 42 USC 703	Purpose of the program. Emphasis on areas suffering from severe economic distress.
13.234 Maternity and Infant Care Projects	Provides funds to help reduce infant and maternal mortality and disabling conditions associated with childbearing.	Social Security Act, as amended, Title V, Sec. 508(a)(1); PL 90-248; 42 USC 708	Eligibility. Mothers and infants from low-income families.

HSA Programs Targeted to Needy Populations

Programs	Description	Authorization	Definitions
13.228 Indian Health Services	Provides comprehensive treatment, preventive, and rehabilitation services to about 498,000 American Indian and Alaska natives through 51 PHS Indian hospitals, 83 health centers, and over 300 other health stations.	PL 83-568, 42 USC 2001 - 2004a	No poverty terminology defined.
13.229 Indian Sanitation Facilities	Construction of sanitation facilities for homes and communities of American Indians and Alaska natives to correct gross unsanitary conditions.	Indian Sanitation Facilities Act; PL 86-121; 42 USC 2004a	No poverty terminology defined.

Programs	Description	Authorization	Definitions
13.246 Migrant Health Grants	Provision of comprehensive health services to migratory seasonal farm workers and their families.	PHS Act, Title III, Sec. 310 as amended by Amendment to Title III, Sec. 310, PL 87-692; Community Health Services Extension Amendment of 1965, PL 89-109; amended to extend the authorization of grants for health of migratory agricultural workers, PL 90-574, amended to extend the program, PL 91-209; 42 USC 242h	No poverty terminology defined.
13.258 National Health Service Corps	Recruits health personnel to serve in shortage areas.	Emergency Health Personnel Act of 1970, PL 91-623, which added Section 329 to the PHS Act, 42 USC 248	No poverty terminology defined.
13.261 Family Health Centers	Provides health services to enrolled populations in areas with scarce health services on a fee for service or a prepaid capitation basis.	PHS Act, Title III, Sec. 314(e) as amended; Sec. 3 of the comprehensive Health Planning and PHS Amendments of 1966, PL 89-749; Sec. 2, Partnership for Health Amendments of 1967, PL 91-174; and Title II, 1970 Amendments to PHS Act, PL 91-515; Title I of the Health Program: Extensive Act of 1973: Amendments to PHS Act, PL 93-45; 42 USC 246	No poverty terminology.

Health Resources Administration (HRA)

Health Resources Administration (HRA) has as its primary poverty-related legislative guidelines the National Health Planning and Resourses Development Act of 1974. The purpose of Title XV of this Act, "National Health Planning and Development," is to "facilitate the development of recommendations for a national health planning policy, to augment areawide and State planning for health services, manpower, and facilities, and to authorize financial assistance for the development of resources to further that policy." Priority is given to "The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas." (Sec. 1502(1). Title XV establishes health service areas throughout the U.S. in which health systems agencies "shall be designated" to carry out health planning and development for the purpose of improving the health of residents of a health service area. State health planning and development are also mandated by this Title. Title XVI, "Health Resources Development," has as its purpose the provision of assistance for modernization of medical facilities, construction of new outpatient medical facilities, construction of new inpatient medical facilities in areas which have experienced rapid growth, and conversion of existing medical facilities into providers of new health services. Relevant sections of this Act are quoted below.

TITLE XVI - HEALTH RESOURCES DEVELOPMENT, PART E - GENERAL PROVISION PL 93-641, NATIONAL HEALTH PLANNING AND RESOURCES DEVELOPMENT ACT OF 1974

> 1633(15) The term 'urban or rural poverty area' means an urban or rural geographical area (as defined by the Secretary) in which a percentage (as defined by the Secretary in accordance with the next sentence) of the residents of the area have incomes below the poverty level (as defined by the Secretary of Commerce). The percentage referred to in the preceding sentence shall be defined so that the percentage of the population of the United States residing in urban and rural poverty areas is -
>
> (A) Not more than the percentage of the total population of the United States with incomes below the poverty level (as so defined plus five per centum, and
>
> (B) Not less than such percentage minus five per centum.

TITLE XV - NATIONAL HEALTH PLANNING AND DEVELOPMENT, PART A - NATIONAL GUIDELINES FOR HEALTH PLANNING

> Sec. 1502 The Congress finds that the following deserve priority consideration in the formulation of National Health planning goals and in the development and operation of Federal, State, and area health planning and resources development programs:
>
> (1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

TITLE XV, PART B - HEALTH SYSTEMS AGENCIES - HEALTH SERVICE AREAS

> Sec. 1511(a)(4) To the maximum extent feasible, the boundaries of the area,... the boundaries of health services areas shall be established so that in the planning and development of health services to be offered within the health service area, any economic geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account.

TITLE XV, PART B - FUNCTIONS OF HEALTH SYSTEMS AGENCIES

Sec. 1513(e)(B) In the case of a proposed use within the health service area of a health systems agency of Federal funds ... by an Indian tribe or inter-tribal Indian organization ... a health system agency shall only review and comment on such proposed use.

FUNCTIONS OF HEALTH SYSTEMS AGENCIES

Sec. 1513(e)(3) Each health systems agency shall provide each Indian tribe or inter-tribal Indian organization which is located within the agency's health service area information respecting the availability of the Federal funds described ...

TITLE XVI - HEALTH RESOURCES DEVELOPMENT, PART A - GENERAL REGULATIONS

Sec. 1602(1)(C) In the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas.

APPROVAL OF PROJECTS

Sec. 1604(b)(J) ...There will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay, therefor, and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

PROJECT GRANTS

Sec. 1625(c) The amount of any grant under subsection (a) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

GENERAL PROVISIONS

Sec. 1633(2)(B) In the case of a project ... the proportion of the cost of such project to be paid by the Federal Government may not exceed 6643 unless the project is located in an area to be determined by the Secretary to be an urban or rural poverty area, in which case the proportion of the cost of such project to be paid by the Federal Goverment may be 100 per centum. (Emphasis added)

Poverty terminology in this legislation, therefore, includes phases such as "rural poverty area," "economically-depressed areas," "services to persons unable to pay," and poverty areas."

The administrative guildelines of the HRA contain such poverty terminology as "students in need of a loan to pursue a full-time course of study at the school" and "of exceptional need." Recently published administrative guidelines (July 1975) governing Health Professions Student Loans and Nursing Student Loans are presented next.

HEALTH PROFESSIONS AND NURSING STUDENT LOANS "LOW-INCOME LEVELS" FOR LOAN REPAYMENT

Sec. 741(1) and 830(a) of the Public Health Service Act, as implemented by regulations, provide that the Secretary of Health, Education, and Welfare may undertake to repay, upon application by an individual, all or any portion of such individual's educational loans made subsequent to November 17, 1971, for meeting his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or nursing when the Secretary determines that the individual:

(1) Failed subsequent to November 17, 1971, to complete the health professions studies leading to his first professional degree or the specified nursing studies, with respect to which such loan(s) was made;

(2) Is in exceptionally needy circumstances;

(3) Is from a low-income or disadvantaged family; and

(4) Has not resumed or cannot reasonably be expected to resume the course of study within two years following the date upon which he terminated such studies.

Sec. 57.217(c) and 57.317(c) of the implementing regulations (42 CFR Part 57, Subparts C and D) require that the Secretary publish annually in the Federal Register the low-income levels which will be utilized in determining an applicant's eligibility under these provisions.

Notice is hereby given that the income levels indicated below, updated through December 1974, are used in determining what constitutes a "low-income family" for purposes of repayment of educational loans by the Secretary pursuant to sections 714(1) and 830(a) of the Public Health Service

Act. Further, these income levels, together with other relevant factors such as value of assets, unusual expenses, income available to the individual, etc., are taken into consideration in determining whether an applicant is "in exceptionally needy circumstances" or is from a "disadvantaged family."

The income levels following were derived from low-income thresholds published by the U.S. Bureau of the Census, utilizing an index adopted by a Federal Interagency Committee for use in a variety of Federal programs, multiplied by a factor of 1.3 for adaptation to the Health Professions and Nursing Student Loan Programs, and have been updated to reflect increases in the Consumer Price Index through December 31, 1974. (Emphasis added)

Size of parents' family includes only dependents listed on Federal income tax form.

	Income level (adjusted gross income for calendar year 1974, rounded to $100)
1	$3,300
2	4,300
3	5,100
4	6,600
5	7,700
6	8,700

The Health Resources Administration's programs targeted to low-income and needy persons. Examples of programmatic poverty terminology include "socio-economically disadvantaged students," "low-income families," "students in need," "low-income background," and "financially disadvantaged" are summarized below.

HRA Programs For Low-Income Persons

Program	Description	Authorization	Definitions
13.220 Health Facilities Construction Grants (Hill Burton Programs)	Assists states in planning for an providing hospitals, health centers and other related healt facilities.	PHS Act, Title VI, PL 88-443 as amended by PL 91-296 and PL 93-45; 42 USC 291	Formulas grants. An additional incentive percentage, up to 90 percent, is possible for projects in poverty areas.
13.380 Health Manpower Education Initiative Awards	Provides funds for students in health professions who are likely to practice in areas with shortages of health personnel and who are financially or otherwise disadvantaged.	PHS Act, Sec. 774(a) and (b), as amended by the Comprehensive Health Manpower Training Act of 1971; PL 92-157	Eligibility. Socioeconomically disadvantaged students.

Programs	Description	Authorization	Definitions
Training of Professional Health Personnel	Provides loans to students in the health professions	PHS Act, Title VII, Part C, Sec. 741(b). 42 USC 294a	Loans may be made "only to a student in need of the amount thereof to pursue a full-time course of study."
Work-Study Programs	Authorizes work study programs for training allied health professionals.	PHS Act, Title VII, Part G, Sec. 794C(b)(6 (Not implemented)	"Provide that such agency, institution, or organization, in selecting students or trainees for employment in such work study program, will give preference to individuals from low-income families."
Physician Shortage Area Scholarship Program	Authorizes grants for scholarships to medical students who agree to practice in physician shortage areas.	PHS Act, Title VIII, Part F, Subpart III, Sec. 784(b)(3)(A)	Priority in awarding scholarship grants is given to applicants from low-income background (as determined) by the Secretary).
Nurse Training	Authorizes grants to nursing students who are socio-economically disadvantaged.	PHS Act, Title VIII, Part A, Sec. 806(f)(1)(H)	Among items to be included in acceptable plan are projects to increase admissions of qualified individuals who are financially disadvantaged.

HRA Programs Targeted To Needy Populations

13.253 Health Facilities Construction Loans and Loan Guarantees	Assists states in planning and providing hospitals and other health facilities.	PHS Act, Title VI, PL 91-296, as amended by PL 93-45; 42 USC 291	Formula grants. One factor is per capita income.
13.342 Health Professions Student Loans	Provides loans for students in need of financial assistance in schools for specified health professions.	PHS Act, Part C, Title VII, Sec. 740, as amended	No poverty terminology defined.
13.364 Nursing Student Loans	Provides long-term low-interest loans to nursing students.	PHS Act, Title VIII, Sec. 722; PL 78-410, as amended; PL 92-52; 42 USC 297a	No poverty terminology defined.

NATIONAL INSTITUTES OF HEALTH (NIH) AND CENTERS FOR DISEASE CONTROL (CDC)

National Institutes of Health (NIH) and Centers for Disease Control (CDC), both components of the Public Health Service, do not have any significant poverty-related, legislative, or administrative guidelines. However, they do have poverty-related programs, which are described next.

NIH And CDC Programs Targeted To Needy Populations

Programs	Description	Authorization	Definition
13.375 Minority Biomedical Support (NIH)	Provides funds to colleges and universities and health professional schools with large numbers of minority (i.e., Black, Spanish-speaking; American Indians, or Oriental) students, but not necessarily a majority.	PHS Act of 1944 as amended, Sec. 301(d); 42 USC 241d	No poverty terminology defined.
13.266 Childhood Lead-Based Paint Poisoning Control (CDC)	Assists state agencies in establishing comprehensive lead-based paint poisoning control programs and laboratory facilities.	Lead-Based Paint Poisoning Prevention Act, Title I, PL 91-695, as amended by PL 93-151, 42 USC 480	No poverty terminology defined.
13.267 Urban Rat Control (CDC)	Supports comprehensive community programs to reduce rat infestations and health conducive conditions within project areas.	PHS Act, Title III, Sec. 314(e)	No poverty terminology defined.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

INTRODUCTION

Although the Department of Housing and Urban Development (HUD) does not publish overall administrative poverty guidelines for its programs, all the significant legislative poverty terminology is contained in the Housing and Community Development Act of 1974. Median income is used to define poverty for the most part, but the Act also contains references to the Orshansky poverty definitions as well. A prime purpose of this Act is to direct housing programs toward the low-income population:

> Sec. 101(a) The Congress finds and declares that the Nation's cities, towns, and smaller urban communities face critical social, economic, and environmental problems arising in significant measure from -
>
> (1) The growth of population in metropolitan and other urban areas, and the concentration of persons of lower income in central cities; and
>
> (2) Inadequate public and private investment and reinvestment in housing and other physical facilities, and related public and social services, resulting in the growth... of urban slums...
>
> (b) The Congress further finds ... that the future welfare of the Nation ... depend(s) on the establishment and maintenance of viable urban communities as social, economic, and political entities, and require(s) --
>
> (1) Systematic ... action by Federal, State, and local governments to ... conserve and renew older urban areas, to improve the living environment of low- and moderate-income families....
>
> (c) The primary objective of (Title I) is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income....
>
> Sec. 2. It is the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income .... (Emphasis added)

Two titles of the Act deal primarily with low-income population housing needs -- Title I and Title II. First it should be noted, however, that although almost all references to poverty terminology can be found in Titles I and II, other references exist throughout the Act. These often, although not always, relate to Titles I and II. Some examples are found in Title V, Rural Housing, Sec. 510, pertaining to direct and insured loans to provide housing and related facilities for elderly persons and lower income families in rural areas; in Sec. 811, regarding programs of technical and supervisory assistance for low-income families; and in Sec. 504, authorizing the Secretary to expand a housing allowance program.

TITLE I - COMMUNITY DEVELOPMENT

We have already mentioned that a primary objective of Title I is providing decent housing, principally for person of low and moderate income. The growth of population, overcrowded central cities (consisting mostly of lower-income groups), and inadequate public and private investment in housing areas (resulting in slums and poor-quality housing) all create the need for better housing conditions.

In Title I, which is primarily concerned with community development, poverty is considered in the formulas governing the distribution of Community Development funds. These formulas specify the use of the OMB poverty definitions and make the Secretary responsible for adjustments for regional and area variations in the cost of living. In addition, the Conference Report directs HUD to develop or obtain data on the "extent of poverty" by the metropolitan areas (SMSA's) and to submit such data by March 31, 1977.

The Community Development programs are financed in part by the Federal government. Eighty percent of the amount approved under the Appropriation Act for grants in any year (with some exceptions) is to be allocated by the Secretary to metropolitan areas. The amount to be allocated is based partially on the "extent of poverty" as defined in Sec. 102(a)(8) of Title I of the Act:

> (8) The term "extent of poverty" means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

There are five levels which must share the distribution: (1) metropolitan cities, as opposed to metropolitan areas, (2) each metropolitan city, (3) each urban county, (4) units of general local government (other than metropolitan cities and urban counties) and States, for use in metropolitan areas, and (5) units of local general government and states for use outside of metropolitan areas. The specific legislative references for each of these distributions are as follows:

> Sec. 106(b)(1)(B) The extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; ....
>
> Sec. 106(b)(2)(B) The extent of poverty in that city and the extent of poverty in all metropolitan cities.
>
> Sec. 106(b)(3)(B)(ii) The extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties ...
>
> Sec. 106(d)(2)(B) The extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas ...
>
> Sec. 106(f)(1)(B)(ii) The extent of poverty in the nonmetropolitan areas of that State and the extent of poverty in the nonmetropolitan areas of all the States ...
>
> In each of the allocation formulas in which poverty appears, the ratio is counted twice (Sec. 106(b)(4). (4) In determining the average of ratios under paragraphs (1), (2), and (3), and the ratio involving the extent of poverty shall be counted twice.

TITLE II - ASSISTED HOUSING

The United States Housing Act of 1937 attempts to assure the well-being of all U.S. citizens by providing funds and credit so that low-income groups can secure more decent housing. Local public housing agencies are responsible for securing safe, adequate, and sanitary housing under this program. Title II helps financially in maintaining and running such housing, once acquired. Programs under Title II are now referred to as Section 8 housing programs (see legislative language for lower-income housing, p. 69 below, Sec. 8).

In legislatively delineating poverty-related terms, low-income housing refers to decent housing within financial reach of low-income families. In Title II, low-income families are defined in two ways. In one case, they are families which cannot afford to pay enough to induce private enterprise in their area to build an adequate supply of decent housing. In another case, they are defined as families whose incomes do not exceed 80 percent of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families. Very low-income families are those whose incomes do not exceed 50 percent of the median family income for the area.

Assistance payments may be made under Title II for existing, newly constructed, and substantially rehabilitated housing which aids low-income families in obtaining a decent place to live. In cases where there are public housing agencies, the Secretary is authorized to enter into annual contributions contracts to owners of existing dwelling units and to owners or prospective owners to construct or substantially rehabilitate housing in which some or all of the units shall be available for occupancy by lower-income families. To help finance or refinance the development, acquisition, or operation of low-income housing projects, the Secretary may make loans or commitments to the public housing agencies. Where there is no public housing agency, or the Secretary thinks the existing housing agency is not adequate to meet the necessary standards, the Secretary may enter into and perform the functions of a public housing agency.

Very large low-income families or families with exceptional medical or other expenses, regardless of dwelling unit, shall pay the difference between 15 percent of one-twelfth of the annual family income and the maximum monthly rent. For other families, the amount of the assistance payment is the difference between 15 percent or 25 percent of the family's income and the maximum rent, considering income, minor children, and extent of medical or unusual expenses incurred by the family.

The pertinent legislative language of Title II is presented below.

> Sec. 201(a)(3)(2) The term "low-income families" means families of low income who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term "very low-income families" means families whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families...
>
> Sec. 8(f)(1) The term "lower-income families" means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors; ...
>
> Sec. 3 (1) The term "low-income housing" means decent, safe, and sanitary dwellings within the financial reach of families of low income, and embraces all necessary appurtenances thereto. Except as otherwise provided in this section, income limits for occupancy and rents shall be fixed by the public housing agency and approved

by the Secretary. The rental for any dwelling unit shall not exceed one-fourth of the family's rental income, as defined by the Secretary. Notwithstanding the preceding sentence, the rental for any dwelling unit shall not be less than the higher of (A) 5 per centum of the gross income of the family occupying the dwelling unit, and (B) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated. At least 20 per centum of the dwelling units in any project placed under annual contributions contracts in any fiscal year beginning after the effective date of this section shall be occupied by the very low-income families. In defining the income of any family for the purpose of this Act, the Secretary shall consider income from all sources of each member of the family residing in the household, except that there shall be excluded:

...(E) 5 per centum of the family's gross income (10 per centum of elderly families); ... (G) an amount equal to the sums received by the head of the household or spouse from, or under the direction of, any public or private nonprofit child placing agency for the care and maintenance of one or more persons under eighteen years and were placed in the household by such agency.

Lower-Income Housing Assistance

Sec. 8(a) For the purpose of aiding lower-income families in obtaining a decent place to live and of promoting economically mixed housing, assistance payments may be made with respect to existing, newly-constructed and substantially-rehabilitated housing in accordance with the provisions of this section ...

(2) (B) The contract shall further provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent he determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general inceases in real property taxes, utility rates, or similar costs which are not adequately compensated for by the adjustment in the maximum monthly rent authorized by subparagraph (A).

(C) Adjustments in the maximum rents as hereinbefore provided shall not result in material differenes between the rents charged for assisted and comparable unassisted units, as determined by the Secretary.

(3) The amount of the monthly assistance payment with respect to any dwelling unit, in the case of a large, very low-income family, a very large lower-income family, or a family with exceptional medical or other expenses, as determined by the Secretary, shall be the difference between 15 per centum of one-twelfth of the annual income of the family occupying the dwelling unit and the maximum monthly rent which the contract provides that the owner is to receive for the unit....

(7) At least 30 per centum of the families assisted under this section with annual allocations of contract authority shall be very low-income families at the time of the initial renting of dwelling units....(Emphasis added)

DEPARTMENT OF LABOR

INTRODUCTION

The Department of Labor has many poverty-related programs that stem from a variety of Acts, the most important of which is the Comprehensive Employment and Training Act (CETA). Other significant poverty-related acts are: Title IV of the Social Security Act (Work-Incentive Programs for Aid to Families with Dependent Children); Older American Community Service Employment Act; Title IX of the Older Americans Comprehensive Services Amendments of 1973; and Part 8, Preference in Federal Procurement, under Defense Manpower Policy No. 4 and Executive Order 10582 (administered jointly by the Department of Labor and the Department of Defense).

The major operational use of poverty definitions within the Department of Labor is in defining "economically disadvantaged" in order to determine eligibility under various manpower programs and in related program reporting.

An economically disadvantaged person is a member of a family which receives cash welfare payments or whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget.

First, we will discuss legislative and administrative guidelines for CETA. This will be followed by an examination of ancillary Acts and then a discussion of the Bureau of Labor Statistics and its statistical work on poverty.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

Presented below is the Comprehensive Employment and Training Act of 1973 (CETA), first an outline summary of its significant poverty-related sections, and, then, verbatim quotes of the relevant parts. This is followed by selected quotations from relevant administrative issuances, including a presentation of the administrative quidelines establishing the poverty definitions in the Act. A recently issued regulation is particularly important to a discussion of poverty terminology and so is presented in its entirety.

Finally, poverty-related programs mandated by the Act will be shown by program identification, a summary program description, and definitions of poverty-related terms.

Outline Summary of Significant Poverty-Related Sections of (CETA)

Sec. 2, Statement of Purpose, includes serving the economically disadvantaged.

Title I -- Comprehensive Manpower Services

Sec. 103, Allocation of Funds, specifies that 12 1/2 percent of funds are to be allocated to jurisdictions on the basis of the relative number of low-income adults.

Sec. 105, Conditions for Receipt of Financial Assistance, states that CETA plan must include assurances that low-income persons will be served.

Sec. 108, Review of Plans, specifies that Secretary of Labor may revoke plan if prime sponsor is failing to serve equitably the economically disadvantaged.

Title II -- Public Employment Programs

Sec. 205, Applications, states that special consideration in filling jobs is to be given to the most severely disadvantaged.

Title III -- Special Federal Responsibilities

Sec. 301, Special Manpower Target Groups, includes persons whom the Secretary determines have particular disadvantages in the labor market.

Sec. 304, Youth Programs and Other Special Programs, authorizes a variety of special Federal programs for low-income, economically disadvantaged (including youth), and chronically unemployed poor persons.

Sec. 311 (a), Research, includes studies relating to employment and advancement through reduction of discrimination and disadvantage arising from poverty.

Quotations of Poverty-Related Portions of (CETA)

Public Law 93-203 Comprehensive Employment and Training Act
93rd Congress, S. 1559
December 28, 1973

An act to assure opportunities for employment and training to unemployed and underemployed persons.

Sec. 2...It is the purpose of this Act to provide job training and employment opportunities for economically disadvantaged,... and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible and decentralized system of Federal, State, and local programs.

Sec. 3...Transitional Provisions to provide financial assistance in the same manner and on the same conditions as provided in the Manpower Development and Training Act of 1962, as in effect prior to June 30,1973, Title I of the Economic Opportunity Act of 1964, and the Emergency Employment Act of 1971, as in effect prior to June 30, 1973....

Title I - Comprehensive Manpower Services

Description of Program...

Sec. 101. (5) Payments or other inducements to public or private employers to expand job opportunities, but payments to employers organized for profit shall not exceed the difference between the costs of recuiting, training, and providing supportive services for low-income persons and those regularly employed.

Allocation of Funds

Sec. 103...(c) 12 1/2 percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of adults in families with an annual income below the low-income level within the State compared to such total numbers in all States

Conditions for Receipt of Finanacial Assistance

Sec. 105 (a) The Secretary shall not provide financial assistance for any fiscal year to a prime sponsor unless such sponsor submits a comprehensive manpower plan, in such detail as the Secretary deems necessary...(D) Assurances that to the maximum extent feasible manpower services, including the development of job opportunities, will be provided to those most in need of them, including low-income persons... (3)(A) Provides appropriate arrangements with community-based organizations serving the poverty community...for their participation in the planning of programs included in the plan ... (76 Stat. 30. 42 USC 2601).

Review of Plans

Sec. 108 (d)...(1) Maintaining a pattern or practice of discrimination in violation of Sec. 603 (1) or Sec. 612 (a) of this Act or otherwise failing to serve equitably the economically disadvantaged, unemployed, or underemployed persons in the area it serves...the Secretary shall revoke the prime sponsor's plan for the area....

Title II - Public Employment Programs

Applications

Sec. 205 (c)...(86 Stat. 1094, 38 USC 2001) (7) Assurances that special consideration in filling transitional public service jobs be given to unemployed person who are the most severely disadvantaged in terms of the length of time they have been unemployed and their prospects for finding employment without assistance under this title....

Title III - Special Federal Responsibilities

Part A - Special Target Groups

Special Manpower Target Groups

Sec. 301 (a) The Secretary shall use funds available under this title to provide additional manpower services as authorized under Titles I and II to segments of the population that are in particular need of such services including youth, offenders, persons of limited English-speaking ability, older workers, and other persons whom the Secretary determines shall have particular disadvantages in the labor market....

Indian Manpower Programs

Sec. 302...(3) Such programs (comprehensive manpower training and employment programs) are essential to the reduction of economic disadvantage among individual members of those communities and to the advancement of economic and social development in these communities consistent with their goals and life styles....

Youth Programs and Other Special Programs

Sec. 304 (a) The Secretary may provide financial assistance and rural areas, including areas having large concentrations or in urban proportions of low-income persons... including the following: (1) Programs to provide part-time employment, on-the-job training, and useful work experience for students from low-income families who are in the ninth through the twelfth grades of school (or who are of an age equivalent to that of students in such grades) and who are in need of the earnings to permit them to resume or maintain attendance in school; (2) Programs to provide unemployed, underemployed, or low-income persons (aged sixteen and over) with useful work and training (which must include sufficient basic education and institutional or on-the-job training) designed to assist those persons to develop their maximum occupational potential and to obtain regular competitive employment; (3) Jobs, including those in recreation and related programs, for economically disadvantaged youths during the summer months; (4) Special programs which involve work activities directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable, because of age, lack of employment opportunity, or otherwise, to secure appropriate employment or training assistance under other programs... (5) Special programs which provide unemployed or low-income persons with jobs leading to career opportunities...

Part B - Research, Training, and Evaluation

Research

Sec. 311...Improvements of opportunities for employment and advancement through the reduction of discrimation and disadvantage arising from poverty....

(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects... In Carrying out this subsection with respect to programs designed to provide employment and training opportunities for low-income people, the Secretary shall consult with other agencies as may be appropriate. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare.

(c) The Secretary is authorized to conduct, either directly or by way of contract, grant, or other arrangement, a thorough evaluation of all programs and activities...to determine the effectiveness of such programs and activities in meeting the special needs of disadvantaged, chronically unemployed, and low-income persons for meaningful employment opportunities and supportive services to continue or resume their education and employment and to become more responsible and productive citizens....

Labor Market Statistics and Job Bank

Sec. 312 (a) The Secretary shall develop a comprehensive system of labor market information on a national, State, local, or other appropriate basis, which shall be made publicly available in a timely fashion.

(b) In addition to the monthly national unemployment statistics, the Secretary shall develop reliable methods, including the use of selected sample surveys, to produce more statistically accurate data on unemployment, underemployment and labor demand by State, local, and poverty areas.

(c) The Secretary shall develop preliminary data for an annual statistical measure of labor-market related economic hardship in the nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at less than poverty wages.

(d) The Secretary shall develop methods to establish and maintain more comprehensive household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural....

(g) The Secretary shall establish and carry out a nationwide computerized job bank and matching program (utilizing the listing of all suitable employment openings with local offices of the State employment service by Federal contrators and subcontractors and providing for the special emphasis as required by section 2012(a) of Title 38, United States Code on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available persons and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged persons with employer requirements and job opportunities, and referring and placing such persons in jobs.

Evaluation

Sec. 313(a) The Secretary shall provide for the continuing evaluation of all programs and activities...
(c) The Secretary is authorized to carry out a special program to demonstrate the efficacy of providing certificates or vouchers to economically disadvantaged, unemployed, and underemployed persons entitling private employers who provide employment, training, and services...to payment in amounts equal to the face value of the certificate...

Title IV - JOB CORPS

Statement of Purpose

Sec. 401 This Title establishes a Job Corps for low-income disadvantaged young men and women...The purpose of this title is to assist young persons who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsive, employable and productive citizens; and to do so in a way that contributes, where feasible, to the development of National, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

Establishment of the Job Corps

Sec. 402 There is established within the Department of Labor a "Job Corps".

Individuals Eligible for the Job Corps

Sec. 403 To become an enrollee in the Job Corps, a young man or woman must be a person who...(2) is a low-income individual or member of a low-income family who requires additional education, training or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular schoolwork, qualify for other training programs suitable to his needs, or satisfy Armed Forces requirements;...

Enrollment and Assignment

Sec. 406.(d) After the Secretary has determined whether an enrollee is to be assigned to a men's training center, a conservation center, or a women's training center, the enrollee shall be assigned to the center of the appropriate type in which a vacancy exists which is closest to the enrollee's home,...Assignments to centers in areas more remote from the enrollee's home shall be carefully limited to situations in which such action is necessary in order to ensure an equitable opportunity for disadvantaged youth from various sections of the country to participate in the program...

Title VI - General Provisions

Definitions

Sec. 601 (a) ...(4) "Low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.
(11) "Underemployed persons" means... (b) persons who are working full time, but receiving wages below the poverty line determined in accordance with criteria as established by the Director of the Office of Management and Budget.

Quotations From Relevant Administrative Issuances

Significant sections of Federal Regulations pertaining to the Comprehensive Employment Training Act are presented next.

Title 29 - Labor - Subtitle A - Office of the Secretary of Labor 9/

Part 94 - General Provisions for Programs Under the Comprehensive Employment and Training Act

94.1 Scope and Purpose of the Act

(a) It is the purpose of the Act to provide job training and employment opportunities for economically disadvantaged, unemployed and underemployed persons, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency. The purposes of the Act are to be accomplished by the establishment of a flexible and decentralized system of Federal, State, and local programs.

(b) The Act is comprised of six titles, as follows:

(1) Title I establishes a program to provide comprehensive manpower services throughout the Nation, including the development and creation of job opportunities, and the training, education, and other services needed to enable individuals to secure and retain employment at their maximum capacity.

(2) Title II authorizes public service employment and manpower training programs for unemployed and underemployed persons in areas of substantial unemployment.

(3) Title III provides for the establishment and administration by the Secretary of Labor of special programs for Indians, migrant workers, and seasonal farmworkers: (ii) Manpower services for youth, offenders, older workers, persons of limited English-speaking ability and other special target groups; and (iii) Research, training, and evaluation of programs and activities conducted under the Act.

(4) Title IV establishes a Job Corps within the Department of Labor to provide resdiential and non-residential manpower services for low-income disadvantaged young men and women.

(5) Title V, establishes a National Commission For Manpower Policy. The responsibilities of the Commission include the examination of national manpower issues, the suggestions of ways and means of dealing with such issues and advising the Secretary on national manpower issues.

(6) Title VI, sets forth the general provisions, including applicable definitions, under the Act.

94.4 Definitions...

(r) "Economically disadvantaged" shall mean a person who is a member of a family: (1) which receives cash welfare payments; or (2) whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria extablished by the Office of Management and Budget (OMB).

...(z) "Low-Income level" shall mean an annual income of $7,000 with respect to income in 1969; for any later year it shall mean that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

...(ff) "Poverty Level" shall mean the annual income threshold below which families are considered to live in poverty, as determined in accordance with criteria established by the Director of the Office of Management and Budget.

...(vv) "Underemployed person" shall mean a person who is working part-time but seeking full-time work or who is working full-time, but receiving wages below the poverty level.

95.2 Allocation of Funds

...(iii) Twelve and one-half percent of the funds subject to the allocation formula shall be allocated on the basis of a prime sponsor's proportion of the number of adults in low-income families in all prime sponsor areas.

95.31 Basic Responsibilities of Prime Sponsors

(c) Establishing priorities for receipt of assistance authorized under the Act taking into account the priorities identified by the Secretary and the significant groups represented among the economically disadvantaged, unemployed, and underemployed residing within its jurisdiction;

95.32 Eligibility for Participation in a Title I Program

(a) A person who is economically disadvantaged,...(as defined in 94.4) may, subject to paragraph (b) of this section, participate in a program offered by the prime sponsor under Title I of the Act (Secs. 105(a) and 108(d)).

95.34 Training Allowances ...

...(g) Incentive allowances for persons receiving public assistance or who are in institutions. (1) Incentive allowances, at the rate of $30 per week.

96 - Programs under Title II of the Comprehensive Employment and Training Act - Subpart C-Program Operation

96.28 Special Consideration for Most Severely Disadvantaged Persons

> Special consideration in filling transitional public service jobs under Title II of the Act shall be given to unemployed persons who are the most *severely disadvantaged* in terms of the length of time they have been unemployed and their prospects for finding employment without assistance under title II (Sec. 205(c)(7).

Part 98 - Administrative Provisions for Programs under Title I and Title II of the Comprehensive Employment and Training Act

Subpart C - Hearings and Judicial Review

98.41 Review of Plans and Applications; Violations

> (1) Maintaining a pattern of practice of discrimination in violation of Sec. 603 (1) or Sec. 612(a) of the Act or otherwise failing to serve equitably the *economically disadvantaged*, ... in the area it serves,...(Emphasis of poverty terminology added)

Title 29 - Labor

Subtitle - Office of the Secretary of Labor 10/

Part 97 - Special Federal Programs and Responsibilities under the Comprehensive Employment and Training Act

Subpart B - Indian Manpower Programs - General

97.101 Scope and Purpose of Title III, Sec. 302, Programs

> It is the purpose of Title III, Sec. 302, of the Act to provide job training and employment opportunities for *economically disadvantaged*, unemployed and underemployed Indians and others of native American descent and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency. The purposes of this section of the Act are to be accomplished by the establishment of a flexible system of programs....

97.103 Definitions

"Client community" shall mean the group or groups of people to be served by a program or program activity; for example, the unemployed and economically disadvantaged.

(2) During the preceeding twelve months, earned less than $750.

"Economically disadvantaged" shall mean a person who is a member of of a family: (a) which receives cash welfare payments, or (b) whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget (OMB).

"Low-income level" shall mean an annual income of $7,000 for a family of four with respect to income in 1969; for any later year it shall mean that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

"Poverty Level" shall mean the annual income threshold below which families are considered to live in poverty, as determined in accordance with criteria established by the Director of the Office of Management and Budget.

(b) In the case of welfare recipients and except for the purposes of Sec. 103 and 202 of the Act, the term "unemployed person" shall mean an adult who, or whose family, receives supplemental security income or money payments pursuant to a State plan approved under the Social Security Act, Title IV, (Aid to Families with Dependent Children), or under the Social Security Act, Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled), or would be eligible for such payments according to the standards set forth at 45 CFR Part 233 and 20 CFR Part 416 if both parents were not present in the home, and (1) Who is available for work, and (2) who is either without a job or working in a job providing insufficient income to enable such a person and his family to be self-supporting without welfare assistance. "Underemployed person" shall mean a person who is working part-time but seeking full-time work or persons who are working full-time but receiving wages below the poverty level. For purposes of Title II and public service employment, persons who are working part-time for the employing agency may be considered underemployed and, as such, be hired only if their selection does not violate the maintenance of effort requirements of the Act.

97.104 Eligibility for Funds; Allocation of Funds

(iii) The relative number of adults in families with an average income below the low income level - within the area compared to such numbers in all states.

(iv) The Secretary shall provide each prime sponsor with an amount for any fiscal year equal to 90 percent of such prime sponsor's or area's manpower allotment for the preceding fiscal year, assuming sufficient funds are appropriated.

97.131 Basic Responsibilities of Prime Sponsors

A prime sponsor shall be responsible for ... (c) establishing priorities for receipt of assistance authorized under the Act, taking into account the needs of the economically disadvantaged, unemployed and underemployed residing within his jurisdiction;

97.132 Eligibility for Participation in Title III, Section 302, Program

(a) An Indian or other person of native American descent who is economically disadvantaged, unemployed, or underemployed (as defined in Sec. 97.103) may ... participate in a program offered by the prime sponsor under Sec. 302 of the Act.

97.133 Types of Manpower Program Activity Available

(4) Work Experience

(iii) Work experience activities for adults include part time or short-term employment for the chronically unemployed, retired persons, recently discharged military individuals, institutional residents and inmates, and others who have not been working in the competitive labor population for extended periods of time. In addition, it may include short-term employment while a definite occupational goal and a training or job opportunity is being developed.

Assessment and Evaluation

97.182 Responsibilities of the Secretary

> (8) The effectiveness of programs in meeting the employment needs of disadvantaged, unemployed and underemployed persons; and...

97.191 Review of Plans and Applications; Violations.

> (b) When information available to the Secretary indicates that, a prime sponsor may be: (1) maintaining a pattern or practice of discrimination...or otherwise failing to serve equitably the economically disadvantaged, unemployed, or underemployed persons in the area it serves.... (Emphasis added)

Title 29 - Labor - Subtitle A - Office of the Secretary of Labor 11/

Part 97 - Special Federal Programs and Responsibilities Under the Comprehensive Employment and Training Act

Subpart C - Migrant and Other Seasonally Employed Farmworker Programs

> Pursuant to Sec. 602(a) and 303(a) of the Comprehensive Employment and Training Act of 1974 (PL 92-203, 87 Stat. 839), which authorizes the Secretary of Labor to prescribe such rules, regulations, and guidelines, as he deems necessary to carry out the provisions of this Act, the following regulations are promulgated to facilitate the implementation at the earliest possible date of Title III, Sec. 303(a) of the Act, Migrant and Seasonal Farmworker Programs.... The new Part 97, Subpart C, which shall be effective September 5, 1974, reads as follows:

General

97.201 Scope and Purpose of Title III, Sec. 303 Programs

> (a) It is the purpose of Title III, section 303, of the Act to provide manpower and other services for those individuals who suffer chronic seasonal unemployment and underemployment in the agriculture industry, which has been substantially affected by recent advances in technology and mechanization. These individuals constitute a substantial portion of the Nation's rural manpower problem and substantially affect the entire national economy.

(1) Alternatives to Agricultural Labor

Provision of services to migrants and other seasonally employed farmworkers and their families who wish to seek alternative job opportunities to seasonal farmwork, which will equip them to compete in other labor markets, to secure stable year-round employment providing an income above the poverty level, and to adjust to a new life style.

97.217 Standards for Reviewing Funding Requests and for Selecting Grantees

(ii) Comprehensive program services: (Range 0 to 20)

The proposed program mix should impact on the full range of farmworker needs and be consistent with the intent of section 303 of the Act. Important consideration should be given to providing alternatives for farmworkers either to leave farmwork by selecting from among a number of occupations providing a wage above the poverty level or remain in agricultural employment with improved living and working conditions....

97.232 Eligibility for Participation in Sec. 303 Programs

Eligibility for participation in Sec. 303 programs is limited to farmworkers and their dependents who have, during the 18 months preceding their application for enrollment: (a) received at least 50 percent of their total earned income as agricultural workers (see Sec. 97.203 "Definition") during any consecutive 12-month period, (b) been employed in agriculture on a seasonal basis (time spent employed in food processing establishments by agricultural workers may be counted as agriculturally-related employment for eligibility purposes), and (c) been identified as economically disadvantaged as defined in Sec. 94.4 of this Title. (Emphasis of poverty terminology added)

Title 29 - Labor - Subtitle A - Office of the Secretary of Labor

Comprehensive Manpower Program and Grants to Areas of High Unemployment 12/

The definitions of "programs of demonstrated effectiveness" and "client community" are amended to delete the reference to "low-income families". These deletions reflect the Department's view that the purpose of the Act is to utilize available resources in a manner which

> will provide services for those individuals most in need of them, and that under the Act, such individuals are properly described by the term "*economically disadvantaged*", rather than by the term "low income". The definitions of "client community" and "programs of demonstrated effectiveness," therefore, retain their reference to the term "*economically disadvantaged*." (Emphasis added)

Recently Issued Administrative Guidelines Concerning the Comprehensive Employment and Training Act contain the Secretary's prescribed guidance:

U.S. Department of Labor	Classification	CETA
Manpower Administration	Correspondence Symbol	OCMP
Washington, D.C. 20213	Date	June 12, 1975

DIRECTIVE : FIELD MEMORANDUM NO. 200-75

TO : ALL ASSISTANT REGIONAL DIRECTORS FOR MANPOWER

FROM : FLOYD E. EDWARDS
Associate Manpower Administrator
Office of Field Direction and Management

SUBJECT : Definition of Economically Disadvantaged for CETA purposes

REFERENCES: Code of Federal Regulations, Title 29, Subtitle A, Secs. 94.4(t) and (w), 95.22(a) and 97.15; TWX of April 30, 1975

1. *Purpose.* The purpose of this directive is to update and clarify Field Memorandum 411-74 which transmitted the method of computing family income against the poverty level for the purpose of determining if an individual is "*economically disadvantaged*." This Field Memorandum incorporates the definitions, method of computing family income, and poverty income levels to be used in CETA programs for determining eligibility as "*economically disadvantaged*" effective immediately.

This issuance provide clarification of the definitions and method of computing family income and revised poverty income levels. There are no basic policy changes.

2. *Background*. Field Memorandum 411-74 consolidated the criteria for determining an individual as "*economically disadvantaged*." It was followed by an interpretive TWX of April 14, 1975, which is superceded by this directive. On April 30, 1975, we transmitted by TWX the revised poverty income levels.

The Community Services Administration (CSA) published the revised poverty income levels and a method of computing family Income in the Federal Register to be effective on April 30, 1975. This method of computing family income varies from that used by the Department of Labor in several respects and does not apply to activities funded by the Manpower Administration.

Programs funded under CETA shall use the criteria promulgated by the Secretary of Labor as set forth herein.

Recessions TWX of April 14, 1975 Field Memorandum No. 411-74	Expiration Date June 30, 1976

3. Definitions

a. CETA regulations, CFR, Title 29, Sec. 94.4(t) define economically disadvantaged as follows: "a person who is a member of a family:

1) Which receives cash welfare payments; or
2) Whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget (OMB)."

b. CETA regulations, Sec. 94.4(w), define family as follows: "one person, or more than one person living in a single household who are related to each other by blood, marriage, or adoption. A stepchild or foster child who receives at least 50 percent of his/her support from the stepparent or foster parents shall be counted as a member of the stepparent's or foster parents' family. An unmarried member of a household:

1) Who is 18 or older and
2) Who receives less than 50 percent (50%) of his/her maintenance from the family. Such an individual shall be considered as a family residing alone or in group quarters."

4. Method of Computing Poverty Level Income. Poverty level income is the maximum annual income level for a family of a given size which can be received and the family be considered to be economically disadvantaged. The income level varies by farm or nonfarm source, as well as by size of family. Separate guidelines are issued for Alaska and Hawaii.

Annual family income means the sum of all money received by a family, from all sources, during the previous 12 months except for specific exclusions indicated below. It refers to the sum of amounts reported separately for wage or salary income, self-employment income, and other income.

a. Inclusions in annual family income:

1) Gross Wages or Salary. The total money earnings received for work performed as an employee. It represents the amount paid before deductions for income taxes, Social Security, bond purchases, union dues, etc. Wages and salary received as a participant of programs under the Emergency Employment Act (EEA) or CETA Public Service Employment (PSE) or on-the-job training (OJT) are included in the computation of income. All other manpower payments (e.g., under work experience, classroom training, services, etc.) will be excluded;

2) Self-Employment Income. Net money income (gross receipts minus operating expenses) from a business firm, farm, or other enterprise in which a person is engaged on his own account; and

3) Other Income. Money income received from such sources as net rents, social security benefits, pensions, and periodic income from insurance policy annuities. If a family's only source of income was from wage and salary payments, family income would be equal to gross wages or salary received.

b. Exclusions from annual family income - general:

1) Non-cash income, such as food stamps or wages received in the form of food or housing;

2) Imputed value of owner-occupied property;

3) Cash welfare payments (any member of a family receiving cash welfare payments as a family or through an individual member, including payments under Federal, State, or local programs, is economically disadvantaged);

4) As noted in a. 1) above, all payments made to participants of manpower programs except wages and salary under EEA, CETA PSE, OJT;

5) Capital gains and losses.

6) One-time unearned income, such as the following examples (not intended to be an all-inclusive listing, but designed to illustrate the conceptual framework of one-time unearned income):

(a) Payments received for a limited fixed term under income maintenance programs such as unemployment insurance programs and supplemental unemployment benefit plans;

(b) One-time (or fixed term) scholarship and fellowship grants;

(c) Accident, health, and casualty insurance proceeds;

(d) Disability and death payments, including fixed term (but not lifetime) life insurance annuities and death benefits;

(e) One-time awards and gifts;

(f) Inheritances, including fixed-term annuities;

(g) Fixed term workmen's compensation awards;

(h) Terminal leave pay;

(i) Soil Bank payments; and

(j) Agriculture crop stabilization payments.

c. Exclusions from annual family income - Veterans.

The effect of Sec. 2013, Chapter 42, of Title 38, U.S. Code (PL 92-540, Vietnam Era Veterans Readjustment Assistance Act of 1972) on the definition of the term economically disadvantaged in computing family income is to exclude the following:

1) Amounts received as payable allowances by any person while serving on active duty in the armed services;

2) Educational assistance and compensation payments to veterans and other eligible persons under Chapters 11, 13, 31, 34, 35, and 36 of Title 38, U. S. Code. Title 38 U. S. Code Chapter references are as follows:

11. Compensation for Service-Connected Disability or Death;

13. Dependency and Indemnity Compensation for Service-connected Death;

31. Vocational Rehabilitation;

34. Veterans' Educational Assistance;

35. War Orphans' and Widows' Educational Assistance; and

36. Administration of Educational Benefits.

d. Definition of farm. Farm or nonfarm family income will be determined by location of residence as determined by the 1970 census definition. Farm is the location category of individuals living in rural territory (outside the corporate limits of a city of 2,500 population or more, or outside of and urbanized area contiguous to such a city) on places of 10 or more acres from which annual sales of farm products amounted to $50 or more or on places of less than 10 acres from which annual sales of farm products amounted to $250 or more. Generally, the acreage/sales criteria will be satisfied by determining if the individual considers his residence to be an operating farm being worked by him or by members of his family.

5. Poverty Income Level.

Size of family unit	Nonfarm family	Farm family
1	$2,590	$2,200
2	3,410	2,900
3	4,230	3,600
4	5,050	4,300
5	5,870	5,000
6	6,690	5,700

For family units with more than six members add $820 each additional member in a nonfarm family and $700 for each additional member in a farm family.

Poverty Guidelines For Alaska

Size of family unit	Nonfarm family	Farm family
1	$3,250	$2,750
2	4,270	3,620
3	5,290	4,490
4	6,310	5,360
5	7,330	6,230
6	8,350	7,100

For family units with more than six members add $1,020 for each additional member in a nonfarm family and $870 for each additional member in a farm family.

Poverty Guidelines For Hawaii

Size of family unit	Nonfarm family	Farm family
1	$2,990	$2,540
2	3,930	3,340
3	4,870	4,140
4	5,810	4,940
5	6,750	5,740
6	7,690	6,540

For family units with more than six members add $940 for each additional member in a nonfarm family and $800 for each additional member in a farm family.

6. Action required. Regional offices should disseminate these criteria of CETA prime sponsors and appropriate State agencies immediately. (Emphasis of poverty terminology added)

Description Of CETA Poverty Related Programs

Presented below are programs stemming from the Comprehensive Employment and Training Act, including for each the program title, a program identification, a summary program description, and the definition of poverty-related terms.

Program Title: Comprehensive Employment and Training Programs - General - Title I & II

Identification:

Authorized by the Comprehensive Employment and Training Act (PL 93-203).

Description:

Program provides funds to state and local prime sponsors to plan and operate manpower programs that meet local needs. Title I authorizes assistance to provide training or employment opportunities for unemployed, underemployed, or economically disadvantaged persons. Title II authorizes grants for areas of high unemployment.

Definition of Terms:

Statement of purpose (Sec. 2 of CETA) includes serving the economically disadvantaged. Eligibility for assistance under Title I (29 CFR 95.32):

a person must be unemployed, underemployed, or economically disadvantaged (as defined in 29 CFR 94.4): " a person who is a member of a family: (1) which receives cash welfare payments; or (2) whose annual income in relation to family size does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget (OMB)." "Underemployed" is defined in 29 CFR 94.4 as "a person who is working part-time, but seeking full-time work or who is working full-time, but receiving wages below the poverty level...." Eligibility for Title II (Sec. 205 of CETA: 29 CFR 96.28): special consideration given to the most severely disadvantaged. Allocation of Title I funds (Sec. 103 of CETA) - specifies that 12 1/2 percent of funds are to be allocated to jurisdictions on the basis of the relative number of low-income adults ("low-income level" defined in Sec. 601 of CETA as "$7,000 with respect to income in 1969, and for any later year...that amount which bears the same relationship to $7,000 as the consumer price index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000").

Program Title: Indian Manpower Programs

Description:

Programs are designed to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed Indians and others of native American descent and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency.

Definition of Terms:

Purpose of the program: Sec. 302 of CETA states that serious unemployment and economic disadvantage exist among members of Indian and Alaskan native communities and that comprehensive manpower training and employment programs are essential to the reduction of economic disadvantage among individual members of those communities. Eligibility for participation (29 CFR 97.132): and Indian or other person of native American descent who is economically disadvantaged, unemployed, or underemployed as defined in 29 CFR 97.103. (Economically disadvantaged and underemployed definitions are the same as for Comprehensive Employment and Training Programs.) Allocation of funds (29 CFR 97.104) is based, in part, on the relative number of adults in families within an area with an average income below the income level compared to such numbers in all states (low income level definition is the same as for Comprehensive Employment and Training Programs).

Program Title: National Migrant and Seasonal Farmworker Program

Identification:

Authorized by Sec. 303 of the Comprehensive Employment and Training Act (also authorized by Title III-B of the Economic Opportunity Act). Catalog of Federal Domestic Assistance Code 17.230.

Description:

Program provides necessary services to help migrant and seasonal farmworker families find economically viable alternatives to agricultural labor, place persons in suitable employment, and assist others. Migrant families are offered services such as relocation assistance, occupational training, education, health services, job development, placement, and other supportive services.

Definition of Terms:

Eligibility for participation (29 CFR 97.232): must be economically disadvantaged as defined in 29 CFR 94.4 (CETA regulations).

Program Title: Ex-Offender Program

Identification:

Authorized by Sec. 301 of the Comprehensive Employment and Training Act.

Description:

Ex-offenders are provided with manpower training and related assistance and support services (including basic education, drug addiction or dependency rehabilitation, health care, and other services) to enable them to secure meaningful employment.

Definition of Terms:

Eligibility for participation: unemployed, underemployed, or economically disadvantaged (see Comprehensive Employment and Training Programs), or involvement with the law. Regulations for the program are in preparation.

Program Title: National On-the-Job Training

Identification:

Authorized by Sec. 301 and 304 of the Comprehensive Employment and Training Act. Catalog of Federal Domestic Assistance Code 17,228.

Description:

Program provides occupational training for unemployed, underemployed, and economically disadvantaged persons who cannot reasonably be expected to otherwise obtain appropriate full-time employment. Program funds may be expended for reimbursement of instructors, administrative costs, supplies, supplementary classroom education, trainee allowances (when coupled with classroom instruction), and supportive services.

Definition of Terms:

Eligibility for participation - unemployed, underemployed, or economically disadvantaged (see Comprehensive Employment and Training Programs). Regulations for the program are in preparation.

Program Title: National Older Worker Program -- Operation Mainstream

Identification:

Program authorized by Secs. 301 and 304 of the Comprehensive Employment and Training Act.

Description:

Program is designed to provide work-training and employment activities, with necessary supportive services, for chronically unemployed, poor older workers who have poor employment prospects and are unable, because of age, lack of employment opportunity, or otherwise, to secure appropriate employment or training assistance under other programs.

Definition of Terms:

Sec. 304 of CETA defines the client group as chronically unemployed, poor older workers. The Manpower Administration has administratively defined the client group as those workers 55 years of age and older who are economically disadvantaged (see definition in Comprehensive Employment and Training Programs).

Program Title: Job Corps

Description:

A residential rehabilitation program for disadvantaged youth whose home or community environment is so culturally deprived that it inhibits success in other remedial or preparatory training activities, or who are located in rural or other areas where work and training opportunities are not available. Services include vocational training, basic education, counseling, personal and cultural development, recreational activities, and work-experience training.

Definition of Terms:

Purpose and eligibility (Sec. 401 of CETA): low-income, disadvantaged young men and women. Job Corps regulations are in preparation.

Program Title: Manpower Research and Development Projects

Identification:

Program authorized by Title III-B of the Comprehensive Employment and Training Act. Catalog of Federal Domestic Assistance Code 17.233.

Description:

Program supports manpower studies needed to develop policy and programs for achieving the fullest utilization of the Nation's manpower: to develop, through actual project operation, new ideas and improved techiques, and to demonstrate the effectiveness of specialized methods in meeting the manpower, employment, and training problems particularly of disadvantaged worker groups.

Definition of Terms

Sec. 311 of CETA authorizes research studies relating to employment and advancement through reduction of discrimination and disadvantage arising from poverty.

Program Title: Apprentice Outreach

Identification:

Authorized by the Comprehensive Employment and Training Act. Catalog of Federal Domestic Assistance Code 17.200.

Description:

Program seeks out qualified applicants from minority groups and assists them in entering apprenticeship programs, primarily in the construction trades.

Work Incentive Program

The Work Incentive Program (WIN) -- Title IV-C of the Social Security Act, as amended, is examined next. First, we describe the program including program identification, program description, and definition of poverty-related terms. We then turn to summary legislation and administrative guidelines.

WIN Programs

Program Title: Work Incentive Program

Identification:

Program authorized by Title IV-C of the Social Security Act, as amended.

Description:

The purpose of the program is to move men, women, and out-of-school youth, aged 16 or older, from the AFDC rolls into meaningful, permanent, productive employment through appropriate training, social services, job placement, and other services.

Definition of Terms:

Sec. 430 of the Social Security Act states that the purpose of the program is to provide individuals receiving Aid to Families with Dependent Children (AFDC) with incentives, opportunities, and services to: (1) employ such individuals in the regular economy; (2) train such individuals for work in the regular economy; and (3) have such individuals participate in public service employment. Funds are allocated (56 CFR 14) on the basis of the relative number of people within each state registered for the Work Incentive Program. 56 CFR 80 defines AFDC as the program authorizied by Title IV of the Social Security Act which provides financial assistance and social services to needy families with children.

Summary Of Significant Poverty-Related Section Of Title IV-C Of The Social Security Act, As Amended

Title IV-C of the Social Security Act, as Amended.

Sec. 430 Purpose

The purpose of this part is to require the establishment of a program utilizing all available manpower services, including those authorized under other provisions of law, under which individuals receiving aid to families with dependent children will be furnished initiative, opportunities, and necessary services....

WIN Administrative Guidelines

Quoted verbatim, next, are administrative regulations pertaining to the work Incentive Program (WIN).

Part 56 - Work Incentive Programs for AFDC Recipients under Title IV of the Social Security Act

Subpart B - Administration

Sec. 56.10 - General Administration provisions....

To carry out Department of Labor responsibilities under these regulations, the Secretary of Labor has designated the Assistant Secretary of Manpower (Assistant Secretary). To carry out Department of Health, Education, and Welfare responsibilities under these regulations, the Secretary of Health, Education, and Welfare has designated the Administrator of the Social and Rehabilitation Service (Administrator).
(b) The Assistant Secretary and the Administrator together form the WIN National Coordination Committee (NCC) which is responsible for the effective national administration of WIN....

(e) The Assistant Secretary of Labor has designated the Assistant Regional Director for Manpower in each region (ARDM) to carry out the WIN program in each region. The administrator of the Social and Rehabilitation Service has designated the Regional Commissioner (RC) of the Social and Rehabilitation Service to carry out his responsibilities under these regulations in each region.

(f) Within each region the ARDM and the RC shall form the WIN Regional Coordination Committee (RCC). Each RCC shall determine the areas in each of the States within its region in which WIN projects shall be operated, taking into consideration such factors as size of welfare caseload and budgetary constraints This action shall have the concurrence of the affected State and shall be so reflected in the Statewide Operation Plan (State WIN Plan). The RCC shall review and approve all State WIN plans and modifications of such plans covering the States in its region....

Subpart C - Requirements and Procedures for Registration and Certification

Sec. 56.20 Registration requirements for AFDC applicants

(a) A state welfare plan, under Part A of Title IV of the act shall provide that all welfare applicants and recipients who are required to register by Sec. 401(a)(19)(A) of the Act shall register with the WIN sponsor for manpower services, training, and employment as a condition of eligibility for AFDC. (Emphasis added)

Subpart H - Definitions

Sec. 56.80 Definitions

(b) "AFDC" (Aid to Families with Dependent Children): The program authorized by Title IV of the Act to provide financial assistance and social services to needy families with children. (Emphasis added)

Senior Community Service Employment Program

(Title IX of PL 93-29)

The Senior Community Service Employment Program, stemming from "The Older Americans Community Service Employment Act" (Title IX of PL 93-29) is described next, including a program identification, a summary of the program description, and a definition of poverty-related terms. Following that is a summary of legislation and administrative guidelines.

Program Title: Senior Community Service Employment

Identification:

Program authorized by Title IX of the Older Americans Comprehensive Services Amendments of 1973 (PL 93-29).

Description:

Program is designed to provide useful part-time work opportunities in community service activities for unemployed, low-income persons who are 55 years old or older and who have poor employment prospects.

Definition of Terms:

The purpose of the program as stated in both the law and the regulations (89 CFR 1) is to foster and promote useful part-time work opportunities in community service activities for unemployed low-income persons who are 55 years old or older and who have poor employment prospects. Eligibility for the program: 89 CFR 4 defines an eligible person as an individual who is 55 years old or older whose income is low, and who has or would have difficulty in securing employment or is unemployed. The regulations further define low-income as the annual income threshold below which families are considered to live in poverty, in accordance with criteria established by the Office of Management and Budget. Administratively, the Manpower Administration uses the economically disadvantaged criterion for the program (see definition in Comprehensive Employment and Training Programs).

Summary Of Significant Poverty-Related Sections Of Older American Community Service Employment Act (Title IX Of PL 93-29)

Sec. 902 Older American Community Service Employment program, states that the program is to foster and promote useful part-time work opportunities in community service activities for unemployed, low-income persons who are 55 years old or older and who have poor employment prospects.

Sec. 907, Definitions, defines an eligible individual as one who is 55 years old or older, who has low-income, and who has or would have difficulty in securing employment.

Administrative Guidelines

Quoted verbatim, next, are significant poverty-related sections of Federal regulations concerning the Older American Community Service Employment Act (Title IX of PL 93-29).

Subtitle A - Office of the Secretary of Labor - Part 89 - Senior Community Service Employment Program 13/

The Act provides for the establishment of a Senior Community Service Employment Program to provide, foster, and promote useful part-time work opportunities in community service activities for unemployed low-income persons who are 55 years old or older and who have poor employment prospects.

Subpart A - General

Sec. 89.1 Scope and purpose

(a) This Part 89 contains the regulations of the Department of Labor for the establishment and operation of the Senior Community Service Employment Program which is authorized under the Older American Community Service Employment Act, Title IX of the Older Americans Comprehensive Services Amendments of 1973. The Senior Community Service Employment Program is designed to provide, foster, and promote useful part-time work opportunities in community service activities for low-income persons who are 55 years old and older and who have poor employment prospects.

Sec. 89.4 Definitions

"Eligible individual" means an individual who is 55 years old or older; who has a low-income; and who has or would have difficulty in securing employment or is unemployed.

"Low-income" for the purpose of the Act means the annual income threshold below which families are considered to live in poverty, as determined in accordance with criteria established by the Director, U. S. Office of Management and Budget.

"Unemployed persons" for purpose of this act means:

(a) An adult who, or whose family, receives supplemental security income or money payments pursuant to a State plan approved under the Social Security Act, Title IV (Aid to Families with Dependent Children), or under the Social Security Act, Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled)....

Subpart C - Project Operations

(1) Benefits accruing to members of the client group who enroll in a project. The client group to be served and enrolled by the program are low-income individuals who are 55 years old or older and who have poor employment prospects. The basic thrust of the program is to provide these individuals with the general benefits resulting from subsidized part-time employment and a moderate level of related supportive services....

Sec. 89.16 Eligibility for enrollment in a project

(a) To be selected for enrollment in a project an individual must:

(1) be 55 years old or older;

(2) have a low income; and

(3) be unemployed or be an individual who has or would have difficulty in securing employment (Emphasis of poverty terminology added).

Preference In Federal Procurement Under Defense Manpower Policy No. 4

Identification:

Defense Manpower Policy No. 4, Executive Order 10582, and 19 CFR 8. (Administered Cooperatively by the Department of Labor and Department of Defense)

Description:

Defense Manpower Policy No. 4 provides, among other things, contract preference to firms hiring disadvantaged individuals. Local offices of State Employment Security Agencies issue certificates to firms with approved plans for employing the disadvantaged.

Definition of Terms:

Disadvantaged, for the purpose of the program, is defined in 19 CFR 8 as "a poor person who does not have suitable employment and is one of the following: (1) a school dropout, (2) under 22 years of age, (3) 45 years of age or older, (4) handicapped, or (5) subject to special obstacles to employment resulting from any other factor such as being a member of a minority."

Administrative Guidelines

The following adminstrative guidelines were issued with respect to the program on July 1, 1974:

Part 8 - Preference in Federal Procurement under Defense Manpower Policy No. 4 and Executive Order 10582

Authority - The provisions of this Part 8 issued under 47 Stat. 1520, 63 Stat. 1024; 41 USC 10a-10d, EO 10582, 3 CFR, 1954-1958 Comp., p. 230; EO 10480, EO 10773, 32A CFR Ch. 1. DMP 4.

Sec. 8.1 Purpose

(a) This part implements the responsibilities of the Secretary of Labor in determining sections of concentrated unemployment or underemployment, and areas of persistent or substantial labor surplus in accordance with Defense Manpower Policy No.4 of the Office of Emergency Planning (32A CFR Ch. 1, DMP 4), and areas of substantial unemployment, in accordance with executive order 10582 (3 CFR 1954-58 Comp., P. 230) issued pursuant to the Buy American Act (41 USC 10A et. seq.)

Sec. 8.2 Definitions

As used in this part:

(a) "Labor area" means: a geographical area consisting of a central city or cities and surrounding territory within commuting distance in which there is a concentration of economic activity or labor demand, and workers can generally change jobs without changing their residences.

(b) "Substantial labor surplus" means: an area is one of substantial labor surplus for purposes of Defense Manpower Policy No. 4 if it has substantial unemployment in accordance with criteria specified in Sec. 8.3....

(d) "Disadvantaged Individual" means: an individual shall be considered disadvantaged if he is a poor person who does not have suitable employment and is one of the following: (1) a school dropout; (2) under 22 years of age; (3) 45 years of age or older; (4) handicapped; or (5) subject to special obstacles to employment resulting from any other factor such as being a member of a minority....

Sec. 8.9 Certificates of eligibility

(a) The Secretary of Labor's approval of an establishment's plan to employ disadvantaged individuals shall be evidenced by a certificate issued to the employing establishment by the appropriate local office of the State Employment Security Agency. This local office will determin whether the establishment qualifies for the certificate and issue it where appropriate. The Secretary of Labor, or his authorized representative, may in all cases, review and, if necessary, change the determination made by the local State Employment Security Agency either granting or denying a certificate of eligibility. Any establishment which is denied a certificate may request a reconsideration or review by the Secretary, or his authorized representative, by writing to the Secretary of Labor, U.S. Department of Labor, Washington, D.C., 20210, and setting forth reasonable grounds therefor.

(b) Certificates of eligibility shall be valid for a period of 6 months, or until recalled by the State Employment Security Agency, or surrendered by the employer, whichever is earliest.

(c) No certificate which would afford an employing establishment first preference under Sec. 8.8 shall be issued to any establishment whose plans for the employment of disadvantaged individuals do not provide that at least 25 percent of the total number of new hires a month beginning with the date of certification and continuing until the expiration of the validity period or completion of an awarded contract or subcontract, whichever is later, shall be disadvantaged individuals identified and referred to the employing establishment pursuant Sec. 8.7(b).

The Secretary is authorized to carry out a special program to demonstrate the efficiency of providing certificates or vouchers to economically disadvantaged, unemployed, and underemployed persons, entitling private employers who provide employment, training and services to each person volunteering to participate in such a program, to payment in amounts equal to the face value of the certificate for specified periods of time during which each such person may not be fully productive. (Emphasis is added)

Bureau Of Labor Statistics

The Bureau of Labor Statistics has no laws, regulations, or programs which utilize an income measure of "poverty" or "low income" as a criterion for eligibility. It does however, have several statistical reporting programs which utilize the current poverty definition. These are:

1. "Employment Situation in Urban Poverty Neighborhoods," a quarterly report on the combined "poverty" neighborhoods of the 100 largest metropolitan areas. These data were published quarterly between 1968 and 1971 and annually in The President s Manpower Report, Monthly Labor Review, and in several other publications. Publication of a new series was begun in 1974 for Census geographical units in which 20 percent or more of the residents were poor, according to the 1970 decennial Census.

2. Data on the "poverty" population in the Concentrated Employment Program (CEP) areas of six major U.S. cities have been published in connection with the "Urban Employment Survey" for fiscal year 1969, including a chapter of the 1970 President's Manpower Report. The poverty classification utilizes the official Office of Management and Budget/Social Security Administration (OMB/SSA)definition. These data are no longer published.

3. Tabulations for the "poverty" population of the low-income areas in 51 of the nation's largest cities and in 7 rural areas of the U.S. were published in connection with the one-time "Census-Employment Survey" (CES), which was conducted in conjunction with the 1970 Census. This includes data for persons and families in poverty based on the official statistical definition.

4. Work is in progress on developing statistics on the characteristics of persons with labor-market-related hardships, as required by the Comprehensive Employment and Training Act of 1973.

DEPARTMENT OF AGRICULTURE

INTRODUCTION

In the Department of Agriculture, the administrative and statutory references to the poor or low-income relate to the food programs. Examples of these programs are given in the next four paragraphs.

Under the Food Stamp Act of 1964 (as amended) "a food stamp program is ... authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

The National School Lunch Act provides free or reduced-cost meals to "any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines.... The income poverty guidelines to be used for any fiscal year shall be those prescribed by the Secretary."

The utilization of surplus agricultural products may be made "among persons in low-income groups as determined by the Secretary of Agriculture" or "in the assistance of needy persons." Surplus agricultural commodities may be donated for relief purposes, for use in nonprofit summer camps for children, or donated to schools and service institutions (including hospitals).

The Child Nutrition Act, through the state educational agencies, reimburses "schools for the cost of obtaining agricultural and other foods for the consumption by needy children in a breakfast program"...with "first consideration to those schools drawing attendance from areas in which poor economic conditions exist."

For analytic purposes, the Department of Agriculture attempts to adhere to the Federal statistical definition of poverty whenever feasible. It occasionally deviates from this when data are not available in the appropriate form.

The discussion of the Department of Agriculture is divided into several sections. First, the Food Stamp Program is examined in detail. This is followed by a verbatim presentation of the Secretary's income-poverty guidelines. The final section consists of a description of poverty terminology and eligibility criteria in other poverty-related programs.

FOOD STAMP PROGRAM

We begin with a discussion of the Food Stamp Program, with and emphasis on the details of the eligibility formula as prescribed by the Food Stamp Act. Relevant sections of this Act are then presented.

MAXIMUM MONTHLY ALLOWABLE INCOME STANDARDS AND BASIS OF COUPON ISSURANCE

Section 7(a) of the Food Stamp Act, as amended, requires that the value of the coupon allotment be adjusted semi-annually by the nearest increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics. As of January 1, 1976, a household of four receives $166 per month as its coupon allotment.

Prior to the amendment of the Act, which initiated the semi-annual adjustment of the coupon allotment, adjustments were made at the beginning of each fiscal year, i.e., in July, based on the cost of the economy food plan in the preceding February. The thrifty food plan replaced the economy food plan on January 1, 1976. It was developed by the Agriculture Research Service (ARS) of the USDA. The amendment specified that the first adjustment be made in January 1974, to reflect changes in food prices through August 1973. A similar procedure was used for the July 1, 1974 and 1975 adjustments and that used for the January 1, 1975 and 1976 adjustments. For example, the value of the coupon allotments for January 1, 1976 was based on the cost of the thrifty food plan in August 1975.

The threshold level of program eligibility is determined by the higher of the two following conditions: (1) the point at which the coupon allotment for that household size equals 30 percent of income; or (2) the Secretary's income poverty guidelines.

Households in which all members are included in the Federally-aided public assisted grant, general assistance grant, or supplemental security income benefits, may participate in the Food Stamp Program regardless of income and resources of the household members.

The maximum allowable income standards for determining eligibility of all other applicant households, including those in which some members are recipients of Federally-aided public assistance, general assistance, or supplemental security income benefits, in any state (other than Alaska or Hawaii) or the District of Columbia, shall be the higher of: (1) the maximum allowable monthly income standards for each household size which were in effect in such states or the District of Columbia, prior to July 29, 1971, or (2) the maximum allowable monthly income standards shown in Table 3.

Income is defined as any money received by all members of the household, except students under 18 years old, including wages; public assistance, retirement, disability benefits; pensions; verterans', workmen's, or unemployment compensation; old age, survivors', or strike benefits; support payments, alimony, scholarships, educational benefits; dividends, interest, and all other payments from any source which may be considered a gain or a benefit.

Resources are such liquid assets as cash on hand, in a bank, or in other savings institution accounts; U.S. Savings Bonds; stocks and bonds; and such nonliquid assests as building (except for the family home), land,

and certain real or personal property. Income may not exceed $1,500 for one person or $3,000 for a household of two or more persons with a member or members age 60 or over.

Expenses deducted from income include such mandatory expenses as: local, State and Federal income taxes; Social Security taxes under FICA; retirement, and union dues. Other allowable deductions are: medical costs (but not special diets) when more than $10 a month; child care to accept or continue employment; fire, theft, hurricane or other disaster expenses; educational expenses which are for tuition and mandatory school fees; court-ordered support and alimony; rent, utilities; or mortgage payments above 30 percent of income after all other deductions.

Table 3. Maximum Income Eligibility Levels Used by Food and Nutrition Service, USDA: FY 1976

Household Size	48 States and D.C.		Alaska		Hawaii		Puerto Rico		Guam		Virgin Islands	
	CNP 1/	Stamps 2/	CNP	Stamps	CNP	Stamps	CNP	Stamps	CNP	Stamps	CNP	Stamps
1	$ 2,580	$ 2,580	$ 3,050	$ 3,048	$ 2,890	$ 2,880	$ 2,580	$ 2,580	$ 2,890	$ 2,880	$ 2,580	$ 2,580
2	3,390	3,684	4,000	4,956	3,790	4,800	3,390	3,684	3,790	4,956	3,390	4,476
3	4,200	5,196	4,950	7,044	4,690	6,876	4,200	5,196	4,690	7,044	4,200	6,396
4	5,010	6,636	5,900	8,964	5,590	8,724	5,010	6,636	5,590	8,964	5,010	8,160
5	5,750	7,920	6,780	10,644	6,420	10,320	5,750	7,920	6,420	10,644	5,750	9,684
6	6,490	9,444	7,650	12,804	7,240	12,396	6,490	9,444	7,240	12,804	6,490	11,604
7	7,160	10,476	8,440	14,076	7,990	13,764	7,160	10,476	7,930	14,076	7,160	12,876
8	7,830	11,916	9,230	16,164	8,740	15,684	7,830	11,916	8,740	16,188	7,830	14,724
9	8,440	13,440	9,940	18,168	9,420	17,676	8,440	13,440	9,420	18,192	8,440	16,560
10	9,050	14,964	10,650	20,172	10,100	19,668	9,050	14,964	10,100	20,196	9,050	18,396
11	9,650	16,488	11,360	22,176	10,780	21,660	9,650	16,488	10,780	22,200	9,650	20,232
12	10,250	18,012	12,070	24,180	11,460	23,652	10,250	18,012	11,460	24,204	10,250	22,068
Each Additional member	600	1,524	710	2,004	680	1,992	600	1,524	680	2,004	600	1,836

1/ Secretary's Income Poverty Guidelines for Child Nutrition Programs (CNP). This schedule is applicable in territories except Guam.
2/ Effective January 1976.

FOOD STAMP ACT

Relevant sections of the Food Stamp Act of 1964, as amended, are presented verbatim, next.

> Food Stamp Act of 1964 (PL 88-525, 78 Stat. 702, approved Aug 31, 1964, as amended.)
>
> ... To provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance, to be operated through normal channels of trade;...
>
> ### DECLARATION OF POLICY
>
> Sec. 2-...Raise levels of nutrition among low-income households. ... limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households... To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet though normal channels of trade. (7 USC 2011.) (Sec. 2 was amended by PL 91-671,84 Stat. 2084, approved January 11, 1971.)
>
> ### Establishment of Food Stamp Program
>
> Sec. 4(a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with an opportunity to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than the charge to be paid for such allotment by eligible households.
>
> ### Eligible Households
>
> Sec. 5(a)...Participation in the food stamp program shall be limited to those households whose income and other financial resources are determined to be substantial limiting factors in permitting them to purchase a nutritionally adequate diet.
>
> (b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program.... The standards..., at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility....

Issuance and Use of Coupons

Sec. 6(a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the Food Stamp Program.

Value of the Coupon Allotment and Charges to be made

Sec. 7(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the Food Stamp Program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted annually to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor (Subsections (a) and (b) were amended by PL 91-671, 84 Stat. 2050, approved January 11, 1971.)

(b) Notwithstanding any other provision of law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income: Provided, that coupon allotments may be issued without charge to households with incomes of less than $30 per month for families of four, under standards of eligibility prescribed by the Secretary....

Administration

Sec. (10)(e)(5)... that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households.... (Emphasis of poverty terminology added)

SECRETARY OF AGRICULTURE'S INCOME POVERTY GUIDELINES

The Secretary of Agriculture's income poverty guidelines are used as a criterion for eligibility in most of the poverty-related programs administered by the Department of Agriculture. They are reproduced in toto, next.

Secretary Of Agriculture's Income Poverty Guidelines, FY 76
Free And Reduced Price Meals And Free Milk,
Income Poverty Guidelines For Determining Eligibility 14/

Pursuant to section 9 of the National School Lunch Act, as amended (42 USC 1758) and Sec. 3 and 4(e) of the

Child Nutrition Act of 1966, as amended (42 USC 1772 and 1773(e)), the income poverty guidelines for determining eligibility for free and reduced-price meals in the National School Lunch Program, School Breakfast Program, commodity only schools, and for free milk in schools in the Special Milk Program during fiscal year 1975 are prescribed by the Secretary in the following tables.

Income Poverty Guidelines, Fiscal Year 1976

Family Size	Secretary's Guidelines, Fiscal Year	Guideline Levels when Increased by 25 percent	Guideline Levels when Increased by 95 percent
(48 States, District of Columbia, Territories excluding Guam)			
1	2,580	3,230	5,040
2	3,390	4,240	6,620
3	4,200	5,250	8,200
4	5,010	6,260	9,770
5	5,750	7,190	11,210
6	6,490	8,110	12,650
7	7,160	8,950	13,970
8	7,830	9,790	15,280
9	8,440	10,550	16,460
10	9,050	11,310	17,640
11	9,650	12,060	18,820
12	10,250	12,810	20,000
Each additional family member.	600	750	1,180

	Alaska	25 percent	95 percent
1	3,050	3,810	5,950
2	4,000	5,000	7,800
3	4,950	6,190	9,650
4	5,900	7,380	11,500
5	6,780	8,470	13,220
6	7,650	9,560	14,920
7	8,440	10,550	16,460
8	9,230	11,540	18,000
9	9,940	12,430	19,390
10	10,650	13,320	20,770
11	11,360	14,210	22,150
12	12,070	15,090	23,530
Each additional family member	710	880	1,380

	Hawaii and Guam	25 percent	95 percent
1	2,890	8,610	5,640
2	3,790	4,740	7,390
3	4,690	5,870	9,150
4	5,590	6,990	10,900
5	6,420	8,020	12,520
6	7,240	9,050	14,120
7	7,990	9,990	15,580
8	8,740	10,920	17,040
9	9,420	11,770	18,370
10	10,100	12,620	19,700
11	10,780	13,470	21,020
12	11,460	14,820	22,340
Each additional family member	680	850	1,320

Under the legislation, schools are required to serve free meals and free milk to all children from families whose income is at or below the applicable family size income level in the Secretary's guidelines. Each State educational agency is required to prescribe income guidelines for both free and reduced-price meals and free milk by family size, for use by schools in the State. The State guidelines may not be less than the applicable family size income level prescribed by the Secretary, and may not exceed the Secretary's guidelines by more than 25 percent, in the case of free meals and free milk, or 95 percent, in the case of reduced-price meals. The 95 percent level for reduced-price meals was enacted under PL 94-105.

For the convenience of State educational agencies, the tables also show the Secretary's income proverty guidelines when increased by 25 percent and when increased by 95 percent. The increased figures represent the maximum levels to be prescried by State educational agencies in determining eligibility for free meals and free milk, and reduced-price meals, respectively. The Secretary's guidelines remain the minimum level for free meals and free milk; all children at or below such levels shall be served a free meal and free milk Guidelines for the Island of Guam are identical to those established for the State of Hawaii, due to comparable costs of living.

The Secretary's income poverty guidelines are based on the previous year's poverty level adjusted for the year-to-year change in the Consumer Price Index. This procedure is consistent with the basic procedure used by the Bureau of the Census in updating its latest statistics on poverty levels.

"Income", as the term is used in this notice, is similar but not identical to that defined in the Bureau of the Census report, "Characteristics of the Low-Income Population: 1971," Consumer Income, Current Population Reports, Series P-60. No. 86, December 1972. "Income" means income before dedutions for income taxes, employees' Social Security taxes, insurance premiums, bonds, etc. It includes the following:

(1) Monetary compensation for services, including wages, salary, commission, or fees; (2) net income from non-farm self-employment; (3) net income from farm self-employment; (4) Social Security; (5) dividends or interest on savings or bonds, income from estates or trusts, or net rental income; (6) public assistance or welfare payments; (7) unemployment compensations; (8) Government civilian employee or military retirements or pensions or veterans' payments; (9) private pensions or annuities; (10) alimony or child support payments; (11) regular contributions from persons not living in the household; (12) net royalties, and (13) other cash income. Other cash income would include cash amounts received or withdrawn from any source including savings, investments, trust accounts, and other resources which would be available to pay the price of a child's meal.

"Income," as the term is used in this notice, does not include income received by volunteers for services performed in the National Older Americans Volunteer Program as stipulated in the 1973 amendments to the Older Americans Act of 1965, PL 93-29 (87 Stat. 30); nor does the term include use for the following special hardship conditions which could not be reasonably anticipated or controlled by the household.

(1) Unusually high medical expenses; (2) shelter costs in excess of 30 percent of income as defined herein; (3) special education expenses due to the mental or physical condition of a child; and (4) disaster or casualty losses.

In applying guidelines, school food authorities may consider both the income of the family during the past 12 months and the family's current rate of income to determine which is the better indicator of the need for free and reduced-price meals.

Effective date. This notice shall be effective July 1, 1975. Dated: April 25, 1975. PL 94-105 amended the income eligibility for reduced price meals to 95 percent above the income poverty guidelines set by the Secretary of Agriculture.

OTHER POVERTY-RELATED PROGRAMS

Food and Nutrition Service

The primary efforts of the Food and Nutrition Service (FNS) are directed at providing food and cash to ensure an adequate diet for the needy low-income people. Food assistance programs provide access to a nutritionally adequate diet for families and persons with low income and encourage better eating patterns among the nation's children. FNS administers the following programs to needy individuals or families:

Children's Nutrition Programs

FNS provides Federal assistance, through State agencies, in cash and commodities for use in preparing and serving nutritious meals to children while attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of the child nutrition programs is to help maintain the health and proper physical development of children. Specific programs dealing with needy children are: (1) special cash assistance for free and reduced price lunches and/or breakfasts to needy children; (2) nonfood assistance to purchase food service equipment, etc., to schools in low-income areas; (3) cash assistance for food service in day-care centers, summer recreation centers, etc., for children from low-income areas; and (4) free milk to those children who qualify for free lunches. The Secretary's Income Poverty Guidelines, previously quoted, specify the income levels to be used as eligibility criteria in connection with some of these programs.

Current legislation affecting these programs includes:

(a) PL 92-433, September 26, 1972, "An Amendment to the National School Lunch Act"

(b) PL 93-150 November 7, 1973, "An Amendment to the National School Lunch and Child Nutrition Acts"

(c) PL 93-326, June 30, 1974, "An Amendment to the National School Lunch Act"

(d) PL 93-347, July 12, 1974, "An Act to Continue Domestic Food Assistance Programs and for Other Purposes"

(e) PL 94-105, October 7, 1975, "An Amendment to the National School Lunch and Child Nutrition Act of 1966"

Special Supplemental Food Program, called the Women, Infants, and Children (WIC) Program

This authorizes the WIC Program to be operated through September 30, 1978, in an effort to provide supplemental foods to pregnant and lactating women, infants, and children up to five years of age who are determined by competent professionals to be nutritional risks because of inadequate diet and low income. Participants are residents of areas served by clinics or other health facilities which have significant numbers of infants and pregnant and lactating women in nutritional risk.

Current legislation affecting this program includes:

(a) PL 92-433, September 26, 1972, "An Amendment to the National School Lunch Act"

(b) PL 93-150, November 7, 1973, "An Amendment to the National School Lunch and Child Nutrition Acts"

(c) PL 94-105, October 7, 1975, "An Amendment to the National School Lunch and Child Nutrition Act of 1966"

Food Distribution Program

This program provides direct distribution of food to low-income families and needy residents in non-profit residential institutions to help improve their diets. Most of the commodities in the Food Distribution Program go to families on Indian Reservations.

Current legislation affecting this program includes:

(a) PL 93-86, August 10, 1973, "An Amendment to the Agricultural Act of 1970"

(b) PL 93-347, July 12, 1974, "An Act to Continue Domestic Food Assistance Programs and for Other Purposes"

Farmers Home Administration

While the Food and Nutrition Service programs make reference to the Secretary's income poverty guidelines, those of Farmers Home Administration generally use less specific terminology. The latter also require for eligibility a demonstrated ability to repay loans. These programs are presented next, with a program description and an identification of relevant legislative or administrative documents.

The Farmers Home Administration (FmHA) channels credit to farmers, rural residents, and communities, and it helps borrowers to gain maximum benefit from loans through counseling and technical assistance. Under certain FmHA programs, families of low or moderate income may obtain loans to buy, build, or repair homes for their own use: under others, rental units may be built for occupancy by low or moderate income familes. The housing covered by these programs must be in open country or towns that are rural in character with a population not more than 10,000.

To be eligible for low-to moderate-income loans, the applicant, among other requirements, must be a low-or moderate-income family with an "adjusted" family income that does not exceed the maximum limits for the state, unless exceptions are authorized by the state Director (See FmHA Instruction 444.1, III N and O, IV G, and Exhibits C and D). In setting maximum limits, the median income for the state (Census data) is considered. Funds are distributed to states based on the cost of housing in the area, from FmHA records, the income of eligible families, and the history of lending in the state.

The legislation specifies that the Secretary of Agriculture is to determine if the applicant is without sufficient resources to provide the necessary housing and buildings on his own account and unable to secure credit.

Te terms "low to moderate income," "very low income," and "needy low income" are used to define persons eligible for help under the various FmHA programs. However, to be eligible, the applicant for a loan must demonstrate the ability to repay in full with interest the sum loaned.

Specifics relating to these programs follow.

Program Title: Self-Help Technical Assistance Grants
Law: Housing Act of 1949 - Sec.: 523 - Title: V
Federal Domenstic Assistance Catalogue Number: 10.420

Program Title: Rural Self-Help Technical Assistance

Description:

Grants are made to public agencies and nonprofit corporations for providing technical assistance for authorized mutual or self-help housing projects by needy low-income individuals and their families in rural areas and small towns.

Purpose:

To provide financial support for technical assistance to aid needy low-income individuals and their families in carrying out mutual self-help efforts in rural areas (Acts of Congress Administered by or Affecting the Farmers Home Administration, Pages 95-96).

Program Title: Homesite Development Loans
Law: Housing Act of 1949 Section : 523 and 524 - Title: V
Federal Domestic Assistance Catalogue Number: 10.411
Name: Rural Housing Site

Description:

Loans are made for the development of rural building sites for sale on a nonprofit basis for housing for low and moderate income families.

Purpose:

To buy and develop building sites for sale to low and moderate income families.

Eligibility for Participation:

Nonprofit organizations that provide rental or cooperative housing for low or moderate income families and for needy low-income individuals and their families participating in mutual and self-help housing programs (Acts of Congress Administered by or Affecting the FmHA, Pages 95-100).

Program Title: Farm Labor Housing Loans
Law: Housing Act of 1949 - Section: 516 - Title: V
Federal Domestic Assistance Catalogue Number: Not shown
Name: Not shown

Description:

Loans and grants are made to broadly-based nonprofit organizations, such as farm workers, and public agencies to provide housing for domestic farm labor.

Purpose:

To provide financial assistance for low-rent housing for domestic farm labor.

Program Title: Rental and Cooperative Housing Loans
Law: Housing Act of 1949 - Section: 515 and 521 - Title: V
Federal Domestic Assistance Catalogue Number: 10.415
Name: Rural Rental Housing Loans

Description:

Loans are made to nonprofit groups or individuals to build, buy, improve, or repair rental or cooperatively-owned houses or apartments for occupancy by low-to-moderate-income families.

Purpose:

To provide rental housing for persons with low or moderate incomes and for persons aged 62 or older in rural areas. (See Rural Rental Housing, PA-988)

Eligibility for Participation:

Private nonprofit corporations and consumer cooperatives who provide rental or cooperative housing for elderly persons and elderly families of low and moderate income or for other persons and families of low income in rural areas (Acts of Congress Administered by or Affecting the Farmers Home Administration, Page 74).

Program Title: Repair and Rehabilitation Housing Loans
Law: Housing Act of 1949 - Section: 504 - Title: V
Federal Domestic Assistance Catalogue Number: 10.417
Name: Very Low-Income Housing Repair Loans

Description:

Loans are made to very low-income owner-occupants who have repayment capability to make repairs on homes in order to remove health and safety hazards.

Purpose:

To remove health and safety hazards from houses of persons who "cannot qualify for a loan under provisions of Sections 501 and 503" (Acts of Congress Administered by or Affecting the FmHA, Page 58).

Eligibility for Participation:

An urgent need to repair the home, and also enough money coming in each month--including welfare payments--to repay the loan, but not enough income to qualify for a loan from FmHA to build or buy a new house. (See Rural Housing Repair Loans, PA-1058)

Program Title: Individual Homeownership Loans
Law: Housing Act of 1949 - Section: 502 - Title: V
Federal Domestic Assistance Catalogue Number: 10.410
Name: Low to Moderate Income Housing Loans

Description:

Loans are made to low-to-moderate-income families who will occupy homes in rural areas, with which to buy, build, improve, relocate homes, to buy building sites, and to refinance certain housing debts. Individuals, partnerships, or corporations that build or improve houses may receive conditional commitments to encourage quantity building.

Purpose:

To help families with low and moderate incomes in rural areas to finance homes and building sites. (See "Home Ownership", PA-977)

Eligibility for Participation:

A low or moderate income family, whose income does not exceed the maximum limit for the state. (See FmHA Instruction 44.1, IV G)

DEPARTMENT OF TREASURY

The Department of Treasury has no overall administrative or legislative guidelines pertaining to poverty, although the Federal Personal Income Tax might be listed among the programs whose benefits are related to "poverty" or "low-income" status. Nowhere in the Tax Code, however, are these terms used, and no formal concepts of "poverty" or "low-income" enter explicitly into the design of the Personal Income Tax.

In Congressional decisions on setting and resetting levels of the Minimum Standard Deduction and the values of personal exemptions, nevertheless, reference is made to the official poverty lines. The intention is evidently that filing units with Adjusted Gross Income below their relevant Federal poverty line will not pay Personal Income Tax. Of course, filing units are not always families and Adjusted Gross Income is not always family money income. The sum of a unit's personal Minimum Standard Deduction and value of personal exemptions is only approximately equal to its poverty line. In general, low-income families are fee of Personal Income Tax Liabilities to levels of family money income above their poverty lines, except when values of Minimum Standard Deduction(s) and personal exemptions are not readjusted annually, as are poverty lines. Below we have constructed a programmatic presentation of this concept.

Program	Description	Definition of Terms
Federal Internal Revenue Code of 1954, as amended (Act Aug. 16, 1954, Ch. 736, 68A Stat. 3, as amended)	The Act imposes a tax on the income of individuals. Income from certain sources is wholly or partially exempt and income below a level defined by the sum of the values of personal deductions and personal exemptions is exempt. Income subject to tax is taxed at increasingly marginal after-tax income is lower relative to before-income tax than higher before-tax income is. The personal Income Tax is, thus, an income maintenance program to the extent that it	Subject to certain qualifications, the Minimum Standard Deduction is available to every Personal Income Tax filing unit. For most units, the Percentage Standards Deduction or itemization of deductions affords greater tax savings. The Minimum Standard Deduction, now $1,300, together with the value of personal exemptions, now $750 per exemption, results in a filing unit with four exemptions having no Personal Income

Program	Description	Definition
	reduces the disposable incomes of higher income filing units, and less certainly families, and it does this in order to maintain the disposable incomes of lower lower income units.	Tax liability unless its Adjusted Gross Income exceeds $4,300. A filing unit with four exemptions may comprise as few as two persons and as many as four persons. Assuming that all income is includable in Adjusted Gross Income, the level of income below which a family had no Personal Income Tax liability in 1973 was above the low-income threshold for a two-person family ($2,662, head 65 yr. and over) and below the threshold for a 4-person family ($4,512). Exempt income for a 10-person family filing as one unit was $8,800, as compared to a low-income threshold of $7,359.

DEPARTMENT OF STATE

The Bureau of Security and Consular Affairs has legislative guidelines relating to poverty and eligibility of immigrants. In a notice of proposed rule-making, December 18, 1974, the Department of State proposed:

> "...to amend subparagraph (15) of Paragraph (a) of Sec. 42.91 of Title 22, Code of Federal Regulations, to establish standards to be applied by consular officers in determining the eligibility of an alien to receive an immigrant visa under Sec. 212 (a) (15) of the Immigration and Nationality Act.

Family members of prospective immigrants and other persons have become increasingly critical of the actions by some consular officers in refusing immigrant visas to some aliens who, in the opinion of those officers, were likely to become charges of the public if admitted to the United States. Some feel that consular officers have imposed unrealistically high income standards for eligibility under Section 212(a) (15) of the Act. At the same time, however, several state and local governments and residents of several geographic areas of the country have complained that many immigrants have received welfare payments shortly after their admission to this country, giving rise to complaints that visas should not have been issued to those immigrants.

> iv. An alien who does not establish that he will have an annual income above the income poverty guidelines published annually or at shorter intervals by the Community Services Administration, as derived from the low-income threshold tables which are also published annually by the Bureau of Census, and who is without other adequate financial resources, shall be deemed ineligible (for entry), under Section 212(a) (15) of the Act. 15/ (Emphasis added)

DEPARTMENT OF INTERIOR

Programs for Indians are administered by the Department of the Interior under the Snyder Act, November 2, 1971, (PL 67-85; 42 Stat 208:25 USC 13) and Expert Assistance Loans (PL 88-168: 25 USC 70N-1). Poverty terms used are "extent of need," "needy Indians," and "Indians without funds." The participants (mainly Indians) must live on reservations or on trust lands operated by the Federal government.

The Snyder Act empowers the Bureau of Indian Affairs, under the supervision of the Secretary of Interior, to direct, supervise, and fund two programs, (1) Indian Social Services-General Assistance, and (2) Indian Social Services--Child Welfare Assistance. The Indian Loans--Claims Assistance Program is authorized by PL 88-168: 25 USC 707-1 and two subsequent supplemental Acts, which stipulate the amount that can be spent for the benefit, care, and assistance of Indians throughout the United States for relief of distress and conservation of health.

The education of Indians is included under the Education Amendments; housing, under the Housing and Community Development Act of 1974, and some of the social programs, under the Social Services Amendments of 1974.

SMALL BUSINESS ADMINISTRATION

The purpose of the Small Business Administration is to assist and protect the interests of small businesses and to allow them to participate in government activities.

The Small Business Administration has five poverty-related programs. The legislation governing these programs includes the Small Business Act, the Economic Opportunity Act of 1974, as amended, and Executive Order 11625, dated October 13, 1971.

The terms used to describe poverty are: "business concerns suffering economic injury;" "low-income or socially or economically disadvantaged persons;" "disadvantaged persons;" "economically or socially disadvantaged businessmen."

The Economic Injury Disaster Loans program is authorized by the Small Business Act, as amended (PL 93-386, August 23, 1974), and the Disaster Relief Act of 1970. These regulations set forth the time limit of loans, the interest rate, and the Federal share; they provide an orderly and continuing means of assistance by the Federal government to State and local governments to help relieve suffering in cases of disaster.

The Economic Opportunity Loans for Small Businesses program operates under the Economic Opportunity Act of 1974, as amended, Sec. 401-404; PL 88-452, as amended; 42 USC 2901, 2902, 2905, and 2906. It allots 50 percent of its loans to small businesses in urban areas owned by low-income individuals.

Minority Business Development -- Procurement Assistance, Small Business Act, as amended, PL 93-386, August 23, 1974 Sec. 2, 8, and and 9; PL 85-536, as amended; 15 USC 631, 637, and 698; 42 USC 2901, 2902, 2906b, and 2906c; Economic Opportunity Act of 1964, as amended, Sec. 401, 402, 406, and 407; PL 88-452, as amended. This legislation authorizes assistance in improving managerial skills of small businesses, especially those located in urban and rural areas with high proportions of unemployed or low-income individuals, or those owned by low-income individuals.

Management and Technical Assistance for Disadvantaged Businessmen, Economic Opportunity Act of 1964, as amended, Title IV, Sec. 406, PL 90-222; 42 USC 2902(a). Under this Act, the administrator may "pay all or part of the costs of projects designed to provide technical and management assistance ... to small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals."

Minority Vendors Program, Executive Order 11625, dated October 13, 1971. The Office of Minority Business Enterprise, established in 1969, aided the development of the minority enterprise program. The Secretary of Commerce has the authority: "(a) to implement Federal policy in support of the minority business enterprise program; (b) provide additional technical and management assistance to disadvantaged businesses; (c) to assist in demonstration projects; and (d) to coordinate the participation of all Federal departments and agencies in an increased minority enterprise effort."

ACTION

Action is an independent agency under the provisions of Reorganization Plan 1, effective July 1, 1971, and Executive Order 11603 of June 30, 1971. Its purpose is "to strengthen the impact and appeal of citizen participation in programs providing personalized services to people whose needs are compelling, both at home and abroad." (Emphasis added)

There are five programs related to poverty under this agency. They are: the Foster Grandparents program, Volunteers in Service to America (VISTA), University Year for Actions (UYA), the Action Cooperative Volunteer program (ACV), and the Senior Companion program.

The poverty-related expressions used by Action programs are "low-income persons age 60 and over," "poor," "poverty communities," and "net income at or below OEO (CSA) Poverty Guidelines".

The Foster Grandparents program (Title II, Part B, of the Domestic Volunteer Service Act of 1973) provides grants or contracts to public and nonprofit private agencies and organizations to bear part or all of the cost of projects encouraging low-income persons aged 60 or over to volunteer supportive person-to-person services in health, education, and welfare to children having exceptional needs. The director may approve assistance of more than 90 percent if he so desires, and he may establish the criteria to be used.

Volunteers in Service to America (VISTA) is also authorized under the provisions of the Domestic Volunteer Service Act of 1973 (Title I - National Volunteer Antipoverty Programs, Part A, Sec. 101) and provides full-time volunteer service, with appropriate powers and responsibilities, to assist in the development and coordination of the program. Its purpose is to eliminate poverty and poverty-related human, social, and environmental problems in the U.S. through the participation of persons from all walks of life and all age groups, including the elderly and the retired. The time of service is one term of two years.

The University Year for Action (UYA) was established by the Domestic Volunteer Service Act of 1973 (Title I, Part B, PL 93-113). It stipulates that college students may spend a year off campus working on antipoverty projects, living in their working environment. The students receive academic credit for participating in these programs, under guidelines established by the university. Ten percent of the funds for this program may be used to encourage participation by other than college students.

Action Cooperative Volunteer program (ACV) is authorized under the Domestic Volunteer Service Act of 1973 (PL 93-113, Title I, Part C, Special Volunteer Program). This program is designed to assist in the development and coordination of volunteer programs and attempts to strengthen and support efforts to meet a broad range of human, social and environmental needs, especially those relating to poverty. Persons from all walks of life and from all age groups are recruited.

The Senior Companion program is authorized under Title II, Part B Sec. 211(b) of the Domestic Volunteer Service Act. The program offers an opportunity for low-income persons aged 60 or over to volunteer to serve those persons having exceptional needs such as nursing care, home health care, meals on wheels, or developmental disabilities. The volunteers act as "senior" companions to members of these groups.

VETERANS ADMINISTRATION

The Veterans Administration was established as an independent agency Executive Order 5398 of July 21, 1930. The Act of July 3, 1930, (46 Stat. 1016), authorized the President to consolidate and coordinate the U.S. Veterans Bureau, Bureau of Pensions, and National Home for Volunteer Soldiers.

The purpose of the Veterans Adminstration, among other things, is to provide benefits for needy veterans and their dependents (spouses, children, and parents). A "veteran" is a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other then dishonorable.

The word "needy" is used by the Veterans Administration to describe the recipients of certain poverty-related benefits provided for the veteran. Two programs for needy veterans are "Pension for Non-Service-Connected Disability for Veterans" and "Pension to Veterans' Widows and Children (Widows Pension)". U.S. Code 38, Chapter 15, Subchapter II--Veterans Pensions, Sec. 521-23 (Non-Service-Connected Disability Pension), and Subchapter III--Pensions to Widows and Children, Sec. 531-545, is the authority for these two programs. PL 85-857 enacted Title 38, Veteran's Benefits, Sections 1 to 1500, which is a compilation of the laws governing programs administered by the Veterans Administration.

This legislation establishes that assistance be provided to "wartime veterans whose income and resources are insufficient and who have non-service-connected disabilities that are permanent and total or who are aged."

Current legislation allows for assistance according to the amount of resources and number of dependents the veteran has; the amount of "countable" income, given the number of his dependents, determines a veteran's eligibility to receive benefits. He or his beneficiaries (widow or widower, children under 18 years of age, disabled before age 18, or under 23 years of age if in school, or dependent parents) are eligible if they meet the income test requirement. These benefits are distributed equally in each state, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. Veterans may also receive housing and educational assistance, health services, and preference in Federal employment.

Pensions for Veterans with Non-Service-Connected Disabilities is a program which allows disabled or aged veterans (whose disabilities are permanent) to receive financial aid. A veteran (male or female) receives $3,000 annually (with only himself as a dependent) and up to $4,200. An additional $50 monthly is provided for the second and third dependent with a maximum of three dependents.

Pensions to Veterans' Widows and Children (Widows' Pension) are issued to widows or widowers of veterans who meet the service requirements and who at the time of their deaths were receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability. An unmarried widow without a child must have an income of no more than $2,600 per year to be eligible for a pension. The provisions of these programs change from time to time. Dependent parents are also included under this program.

FOOTNOTES TO TECHNICAL PAPER II

1. Congressional Record, House, December 19, 1974, H12463.

2. Numbers listed are in Catalogue of Federal Domestic Assistance.

3. Federal Register, Vol. 39, No. 143, July 24, 1974, "Vocational Education, Grants Programs to States."

4. Federal Register, Vol. 39, No. 215, November 6, 1974.

5. Federal Register, Vol. 39, No. 208, October 25, 1974, Part I.

6. Notice of Proposed Rulemaking - 45 CFR Part 144 - Title IV, Part E. Direct Loans to Students in Institutions of Higher Education, of the Higher Education Act of 1965, as amended, and Title II Loans to Students in Institutions of Higher Education, of the National Defense Education Act of 1958, as amended, as required by Sec. 503, Public Law 92-318-Action.

7. Notice of proposed Rulemaking - 45 CFR Part 175 - Title IV, Part C, Secs. 441-446 Work-Study Programs, of the Higher Education Act of 1965, as amended, as required by Sec. 503, Public Law 92-318.

8. Federal Register, Vol. 39, No. 231, November 29, 1974, emphasis ours.

9. Federal Register, Vol. 39, No. 108, June 4, 1974.

10. Federal Register, Vol. 39, No. 124, Part III, June 26, 1974.

11. Federal Register, Vol. 39, No. 152, August 6, 1974.

12. Federal Register, Vol. 39, No. 108, June 4, 1974.

13. Federal Register, Vol. 39, No. 112, June 10, 1974, Part II.

14. Federal Register, Vol. 40, No. 85, May 1, 1975.

15. 22 CFR Part 42, "Ineligible Classes of Immigrants - Notice of of Proposed Rulemaking." Federal Register, Vol. 40, No. 5, January 8, 1975.

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